

**University of KwaZulu-Natal**

**Exploring Changes in the Membership of the Durban Chamber of  
Commerce and Industry**

**By**

**Nthabiseng L. Ramakhetheng**

**208520966**

**A dissertation submitted in fulfilment of the requirements for the degree of**

**Master of Commerce**

**Graduate School of Business and Leadership**

**2014**

**Supervisor: Dr S. Hildbrand**

**Co-supervisor: Mr A.Bozas**

# Declaration

---

**Nthabiseng L. Ramakhetheng, declare that**

This research report is the original work unless it has been indicated within the study.

Everything that has been taken from other sources has been cited and referenced accordingly.

This research has not been submitted at any other institution or for any other degree in any University.

Name.....

Signature .....

Date .....

# Acknowledgement

---

To give thanks to God who has been giving daily strength to not give up, Jesus Christ the Redeemer of life.

A lot of respect to the supervisor and co supervisor: Dr S. Hildbrand and Mr A. Bozas.

Thank you to my partner Joey Patrick Motsa for being the greatest, motivator and a pillar of strength.

Thank you to the Durban Chamber of Commerce and Industry for allowing the study to be conducted in their organisation, the leadership, the management, staff and the members.

To my family and friends, my brother and sister, Thabo and Lerato Ramakhetheng, you keep me going.

To MOM, I wish you were here but I know YOU ARE PROUD. Job well done. Amelia Mpopi Ramakhetheng, thank you for the gift of Education.

# Abstract

---

Post 1994, chambers of commerce have gone through transformation as they adapted to new laws that were implemented with the new democratic government. Many policies were adjusted, impacting business but as a result specifically affecting the chambers. As an example the Durban Chamber of Commerce and Industry (DCCI), lost a high number of its members since the changes in policies. In 1999 the DCCI had 7000 paying members, but in 2014, it has about 2800 to 2900 members and this decrease in membership threatens the sustainability of the DCCI. Furthermore, while the DCCI manages to attract Small and Medium Enterprises (SMMEs), it struggles to attract larger companies and new members or to retain current members. This study was set out to explore the dynamics behind the changes in membership numbers and patterns and the negative impact to the development of the DCCI. Furthermore, it explored opportunities to increase membership numbers by attracting large companies as well as SMMEs. It also re-evaluated some of the services and programmes that the DCCI offers. A qualitative research design was chosen to explore peoples' experiences through the process of change. Fifteen semi-structured interviews were conducted with staff and members of the DCCI. In addition observation and secondary data was used. The data was analysed by means of thematic analysis. The findings of this study reveal clearly the main challenge for the DCCI is to retain members. This is because of the lack of services and DCCIs battle to adapt to the changes that came with a 'new' South Africa. This study further makes some suggestions to the DCCI leadership, managers, staff and members regarding the handling of the challenges that came with the changes. It also informs the chamber on how they can improve their services to increase their relevance for current members and on how to better meet the needs of their members.

# Glossary

---

- ABSA-** Amalgamated Bank of South Africa
- ACDS-** African Centre for Dispute Settlement
- AHI-** Afrikaanse Handelsinstituut
- AICC-** American Indonesian Chamber of Commerce
- AIDS-** Acquired Immune Deficiency Syndrome
- BEE-** Black Economic Empowerment
- B-BBEE-** Broad-Based Black Economic Empowerment
- DCCI-** Durban Chamber of Commerce and Industry
- CCCI-** Cape Chamber of Commerce and Industry and Industry
- CHAMSA-** Chamber of Commerce South Africa
- CEO-** Chief Executive Officer
- CRM-** Customer Relations Management
- DCC-** Durban Chamber of Commerce
- DCCI-** Durban Chamber of Commerce and Industry
- DCF-** Durban Chamber Foundation
- DMCC-** Durban Metropolitan Chamber of Commerce
- ESP-** Enterprise Supplier Provider
- FABCOS-** African Business and Consumer Services
- HIV-** Human Immune Virus
- ICC-** International Chamber of Commerce
- ICC-** International Convention Centre
- IDC-** Industrial Development Corporation
- IFLAI-** International Federation of Library Association Institution
- JCCI-** Johannesburg Chamber of Commerce and Industry
- KZN-** KwaZulu-Natal

**LIASA-** Library and Information Association of South Africa

**MBO-** Membership Based Organisations

**MHO-** Mutual Health Organisation

**NAFCOC-** African Business and Consumer Services

**NGO-** Non Governmental Organisation

**NMO-**National Medical Plan

**NPO-** Non Profit Organisation

**SAA-** South African Airways

**SACCI-** South African Chamber of Commerce and Industry

**SACOB-** South African Chamber of Business

**SALA-**South African Library Association

**SEDA-** Small Enterprise Development Agency

**SETA-** Sector Education and Training Authority

**SMME-** Small, Medium and Micro Enterprises

**TPT-** Transnet Port Terminals

# Table of Contents

---

<b>Description</b>	<b>Pages</b>
<b>Cover page</b>	<b>i</b>
<b>Declaration</b>	<b>ii</b>
<b>Acknowledgement</b>	<b>iii</b>
<b>Glossary</b>	<b>vi</b>
<b>Table of Content</b>	<b>vii</b>
<b>List of Figures</b>	<b>xi</b>
<b>List of Tables</b>	<b>xii</b>

## **Chapter 1**

1.1 Introduction.....	1
1.2 Background.....	1
1.3 Problem Statement .....	1
1.4 Objectives.....	1
1.5 Key Research Questions .....	1
1.6 Significance of the Research.....	1
1.7 Methodology of the Research .....	4
1.8 Limitations of the Research .....	5
1.9 Contributions of the Research .....	6
1.10 Chapters Outline .....	6
1.11 Concluding Remarks .....	7

## **Chapter 2**

2.1 Introduction .....	8
2.2 History .....	8
2.3 Changes in the Chambers in South Africa .....	9
2.4 Chamber Services .....	10
2.5 The Durban Chamber of Commerce and Industry Partnerships .....	12
2.6 The Durban Chamber of Commerce Structure .....	12

2.7 The Durban Chamber of Commerce Membership .....	15
2.8 The Fourteen Committees of the Chamber .....	15
2.9 The Durban Chamber of Commerce Strategies .....	16
2.10 Concluding Remarks .....	17

### **Chapter 3**

3.1 Introduction .....	18
3.2 Membership Based Organisations .....	18
3.2.1 Internal and External Objectives of MBOs .....	19
3.2.2 Members of Membership Based Organisations .....	20
3.2.3 Members Acquisition .....	21
3.2.4 Membership Retention .....	22
3.2.4.1 Membership Experience Data .....	24
3.2.4.1 Customer Relations Management .....	25
3.2.4.3 Retention Model .....	26
3.2.5 Membership Organisation Sustainability .....	26
3.2.5.1 Management Role in Sustainability .....	27
3.2.5.2 Financial Sustainability .....	28
3.3 Membership Decline .....	29
3.3.1 Reasons for Membership Decline .....	31
3.4 Membership Complexity, Ambiguity and Dynamics .....	32
3.4.1 The Challenges with Defining a Member .....	32
3.5 Systems Thinking Holistic Perspective.....	35
3.6 Challenges of Change in Membership Based Organisations .....	36
3.7 Chamber Membership and Membership Challenges .....	38
3.7.1 The Chamber Functions .....	38
3.7.2 The International Chamber of Commerce .....	40
3.7.3 The Jefferson Chamber of Commerce .....	41



3.7.4 The Grand Rapids Chamber of Commerce .....	41
3.7.5 The Cape Chamber of Commerce and Industry .....	42
3.7.6 The British Chamber of Commerce .....	43
3.7.7 The American Indonesian Chamber of Commerce .....	43
3.8 Government Policies Impacts on the Chambers in SA .....	44
3.9 The Incentives for the Chambers .....	45
3.9.1 Selective Incentive and Logic of Collective Action .....	46
3.9.2 The Integration of Small and Large Business Incentives .....	46
3.10 Concluding Remarks .....	48

## **Chapter 4**

4.1 Introduction .....	50
4.2 Research Designs: Qualitative and Quantitative .....	50
4.3 Phenomenology .....	51
4.3.1 Phenomenological Research .....	51
4.4 Data Collection .....	52
4.4.1 Interviews .....	54
4.4.2 Secondary Data .....	55
4.4.3 Observation .....	56
4.4.4 Sampling .....	56
4.5 The Role of the Researcher .....	57
4.6 Data Analysis .....	57
4.7 Limitations of Qualitative Research .....	58
4.8 Ethical Clearance .....	60
4.9 Validity and Reliability .....	61
4.10 Concluding Remarks .....	61

## **Chapter 5**

5.1 Introduction .....	62
------------------------	----

5.2 Causes of Decline .....	62
5.2.1 Declining Interest in Club Membership .....	62
5.2.2 South African History .....	63
5.2.3 The National Medical Plan .....	63
5.2.4 Transformation Resistance .....	64
5.2.5 Lack of Suitability for SMMEs .....	65
5.2.6 Poor Membership Benefits .....	65
5.2.7 Insufficient Support Staff .....	66
5.2.8 Low Motivation by Staff .....	67
5.2.9 Empty Promises .....	68
5.2.10 Cost of Membership .....	68
5.2.11 Opportunity Cost .....	68
5.2.12 Increasing Amount of Competition .....	68
5.2.13 Lack of Equipment for Staff .....	69
5.2.14 Bureaucracy .....	70
5.2.15 Favouritism .....	71
5.2.16 Lack of Common Vision and Cohesion .....	71
5.2.17 Intimidation Tactics .....	72
5.2.18 Members Unrealistic Expectations .....	72
5.2.19 The Out-dated Membership Database .....	73
5.2.20 Lack of Internal Communication .....	74
5.3 The Continuous Decline .....	75
5.4 Management Dynamics .....	75
5.4.1 The Dynamics in Leadership of the DCCI .....	77
5.4.2 Management Competencies .....	78
5.5 Membership Dynamics .....	78
5.5.1 Small Numbers of Blacks .....	79

5.5.2 Negative Attitude towards SMMEs .....	80
5.5.3 Members Benefits from Stakeholders .....	81
5.6 The Benefits of Being a Member .....	82
5.6.1 Characteristics of a Successful Member .....	84
5.7 The DCCI Service Improvement Possibilities .....	85
5.7.1 Improvements for the SMME Sector .....	85
5.7.2 Skills Development .....	86
5.7.3 The DCCI Services Decentralised .....	87
5.7.4 Sector Focused Recruitment .....	87
5.7.5 Mentorship Project with Municipality .....	87
5.7.6 Sector Based Networking Session .....	88
5.7.7 Voluntary Sessions by the Members .....	90
5.7.8 Members Visitations .....	91
5.7.9 DCCI Customer Relations Management .....	92
5.7.10 Tender Procurement Services .....	92
5.8 Opportunities for Membership Increase .....	92
5.8.1 Marketing the DCCI.....	93
5.8.2 Membership Motivation Ideas .....	94
5.8.3 Growing Finances Concepts .....	95
5.8.4 Members Service to Society .....	95
5.9 The Major Changes Taking Place in the DCCI .....	96
5.10 Concluding Remarks .....	98

## **Chapter 6**

6.1 Introduction .....	99
6.2 Reasons for Decline .....	99
6.3 Dynamics within the DCCI Membership .....	100
6.4 DCCI Membership Retention .....	102

6.4.1 Dealing with Retention Challenges .....	103
6.5 Concluding Remarks .....	112

## **Chapter 7**

7.1 Introduction.....	113
7.2 Conclusion .....	113
7.3 Recommendations for Further Research .....	117
7.4 Concluding Remarks .....	118
References .....	119
Appendix 1 .....	124
Appendix 2 .....	126
Appendix 3 .....	128
Appendix 4 .....	130
Appendix 5 .....	132

## **List of Figures**

2.1 Organogram of DCCI .....	13
------------------------------	----

## **List of Tables**

3.1 Membership Complexity, Ambiguity and Dynamics.....	33
5.2 Summarises the years of the DCCI Membership Numbers, Leadership and Pattern of Change.....	67

# Chapter 1-Introduction

---

## 1.1 Introduction

There has been a general decline of membership numbers across many membership based organisations (MBOs) around the world (van Haute, 2001; Zulu, 2005; van Eijnatten, 2010). The decline has been evident in several studies conducted on country clubs, political parties and non-Governmental organisations (NGOs) and chambers (Wealkens, 2003; van Haute, 2001). There are many different reasons for the decline in membership; some members leave because they see no benefit; others because they would like to be incentivised for their membership; while other's reasons are external - government policies impact on organisational structures (van Haute, 2001; Pogintke, 2012; Khomo, 2009). The Durban Chamber of Commerce and Industry (DCCI) has been a victim of a decline in their membership. Looking at trends since 1999 until 2014, results show the decline has been arrested; however retention is still a great challenge (Wilson, 1999; Singh, 2014). The decline comes as a problem for this voluntary membership based organisation, which represents and lobbies for small and large businesses at local, provincial and national level as it depends on its members financially for its success. The DCCI has a vision to continue to be a world class business chamber (Layman, 2014b).

## 1.2 Background

The study has covered the DCCI, a chamber based in Durban, KwaZulu-Natal. The DCCI remains the largest stand-alone chamber in South Africa; probably even in Africa (Gwala, 2004). The detailed history and details of the DCCI can be found in chapter 2 of this study.

## 1.3 Problem Statement

Membership is the heart of the chamber and the reason for its existence is to serve the interests of its members by lobbying for them amongst other services offered. The decline in membership in recent years has been cause for concern for the DCCI as without sufficient members, the ability of the chamber and its credibility as the, 'voice of business' are undermined (Gwala, 2004). The more members the DCCI has, the greater the strength in their

united voices for business in Durban. The study looked into the challenges of the decline that threatens the sustainability of this chamber.

The DCCI currently offers various business services to members; however subscribed members are now 2899 in from 7000 in 1999. The decline has been contained presently, but the problem remaining is what can be done to reduce the risk of further declines in the future.

The further problem occurs when large companies quit the DCCI; there is a bigger loss proportionately since they pay higher subscriptions (Singh, 2014). There is a further loss in prestige and pride of the chamber from serving the larger and well-known companies.

Another problem is the SMMEs that join the chamber in numbers but leave in numbers; SMMEs are a non-reliable sector for the chamber to depend on financially. The DCCI as a non-profit organisation relies on subscriptions to run the operations and not to become unstable and financially insecure.

South Africa, places no obligation on a business to be a member of a chamber. Businesses voluntarily become part of a chamber due to the service provided by that chamber, which intends to grow and benefit their businesses. Managing voluntary membership is a complex concept and problematic since a chamber might not be fully aware of the member's expectations for joining the chamber (Singh, 2014).

Another challenge is whether a member renews their membership in the following year is based on the perceived benefits they have obtained. A decline in the DCCI membership leads one to the assumption there has been some dissatisfaction among members.

## **1.4 Objectives**

The aims and objectives of the study are:

- To explore patterns of change in membership that has impacted the Durban Chamber of Commerce and Industry (DCCI).
- The study will investigate the dynamics of change in the membership numbers in the DCCI.
- Make findings about the opportunities to increase DCCI membership numbers in order to ensure its sustainability.

- To re-evaluate the different services and programmes the DCCI offers. It will explore possibilities of attracting large companies as well as SMMEs and opportunities of collaboration for mutual benefit.
- To reflect on how inclusive or exclusive the DCCI services are when it comes to large companies.
- To seek to provide reasons for the current SMMEs growth.

### **1.5 Key Research Questions**

The main aim of this research is to explore the changes in the membership of Durban Chamber of Commerce and Industry and to investigate opportunities to increase membership numbers.

This leads to the following research questions:

1. What are the dynamics behind the change in membership numbers and patterns that have been taking place in the Durban Chamber of Commerce and Industry?
2. What are the consequences of these changes for the Durban Chamber of Commerce and Industry?
3. What strategies will assist the Durban Chamber of Commerce and Industry to maintain its relevance and sustainability and to retain large and small business members?
4. What can be done to motivate new companies to choose the Durban Chamber of Commerce and Industry?

### **1.6 Significance of the Research**

The research identified the reasons for the non-renewal of membership of the DCCI. It also provided the DCCI with what the current members expect from the DCCI. The retention of membership is currently more of a concern than the membership decline.

Members decide not to renew their membership in the DCCI for different reasons. SMMEs as the highest declining members have complained the DCCI does not provide relevant services for them. The SMME members realised services that can directly benefit members should be sector specific services as members come from differing industries. The other reasons

SMMEs quit is because they believe the DCCI provides services for larger companies and less services for smaller and growing companies.

The large companies have also been reluctant to renew their membership as they complain of the lack of benefits for their membership. There has been a question of value for money as far as the larger companies' memberships are concerned. The even greater general concern has been the relevance of the chamber to its members in present times. Members requested staff members and the DCCI leadership to provide services for them and give members a priority in service provision, listen and act on their complaints and meet their needs.

The study further enquired about the level of satisfaction concerning the services provided by the chamber. The services rendered by the chamber have to meet the demands and needs of the members, which is the only time the chamber can guarantee on the relevance of the services they provide (Gryczan, 2011).

The decrease in the membership of the DCCI seems to be caused by a lack of fundamental incentives for the benefit of large companies causing their numbers to remain low regardless of efforts done to recruit them. Other dynamics occur whereby the majority membership SMMEs promised to engage with the larger companies, which became a motivation for membership only to the disappointment of it not happening. Traxler (2010) argues that integration of large and small companies benefits the larger companies the most, as it improves their capacity in representation.

## **1.7 Methodology of the Research**

The research is a qualitative study that explores the in-depth feelings of the participants on the topic of changes in membership of the DCCI. The study took a phenomenological direction in order to find out the state of mind of participants; particularly members and to understand their feelings and objects regarding the changes within the DCCI (Salehi, 2013; Kumar, 2012).

The study used systems thinking as a theoretical framework to explore the changes in the DCCI membership to allow for a holistic view on the many aspects that have led to a decline in membership. Systems thinking assisted in looking at all the aspects in play in terms of membership and the interrelationships within the organisation (Levin, 2013). The different participants within the DCCI are the different stakeholders; the council as the highest



decision maker within the DCCI; the CEO; the management in different departments; operations staff members and large and small companies. Identifying the contribution of these different participants within the DCCI formed the crucial part of the study. Different membership based organisations went through similar challenges of declining membership and by looking at several MBOs there were relevant lessons drawn for the DCCI benefits.

Fifteen participants were interviewed for this study. The purposive sampling was used to select participants that have knowledge on the topic (Gray, 2004). Interviews to collect data, observation and secondary data became crucial for this study.

Thematic analysis was used to report the findings (Irvine, 2006). Nine major themes were identified and subthemes to report the findings of the research study.

### **1.8 Limitations of the Research**

The limitation is that this is a single chamber study, therefore it cannot be generalised to all chambers.

The research explored the changes in membership and used a systems thinking principle to assist exploring it in a holistic manner. Systems thinking also allowed the research to look at all aspects of the DCCI and its interconnectedness. However the study is limited to the membership aspects only of the chamber and cannot deal with other issues that may be causing the decline.

The greatest limitation of this research has been lack of literature in chamber membership change dynamics and patterns that forced it to adopt some other membership based organisation to make sense of some aspect.

This study could have worked as a longitudinal study since it came at a time when the cabinet of President Jacob Zuma in 2014 introduced the new minister of Small and Medium Enterprises, the honourable Lindiwe Zulu. This is a great focus towards the SMMEs and it would have been interesting to see how the DCCI received and used the services of this new office, nationally and provincially. Time is the greatest constraint on this matter, but this can be possible further research.

Large companies make up just 20% of the chamber membership; they were not easy to access and the findings were mostly coming from the SMME sector. This could be caused by the

interaction SMMEs have with the DCCI being more regular than the interaction the larger companies have.

### **1.9 Contribution of the Research**

The main contribution of this study is towards the DCCI hearing their members' voices within the findings of this study. There is not many studies done on chambers; however it's a much needed research due to the contribution the chamber have in communities (Lacho, 2011).

This research will assist the chambers in South Africa to deal with changes they face on a day to day basis. It will contribute to both a school of change management and systems thinking looking specifically at chambers.

### **1.10 Chapter Outline**

Chapter 2 is a summary of the DCCI; the leadership; the structure in a form of an organogram; the different departments that are in the DCCI; their management and functions. The chapter also summarises what the DCCI's mandate is and a reflection on some of the services and offerings by the DCCI.

Chapter 3 reviews the literature regarding theories that are relevant to the study. The theoretical framework is systems thinking, which also touches on complexity of change and change management. The different MBOs and their work are explored, and how they acquire their membership; retain such membership and how they deal with declines in membership. Other concepts explored are the selective incentives offered by MBOs and how they deal with free riders. Other chambers around the world are briefly discussed in order to draw some lessons on how they function.

Chapter 4 describes the research methodology used in this study. It explains how the research was conducted; the methods used to collect data; how the data was processed to get the findings for this study.

Chapter 5 reports the findings of this study using the themes and the subthemes to explain the trends within the DCCI when it comes to changes in membership.

Chapter 6 is the discussions chapter whereby the findings will further be discussed and elaborated on; drawing the theories used in chapter three to further explain relationships.

Chapter 7 concludes the study by giving recommendations; limitations, contributions and further research suggestions on the DCCI study.

### **1.11 Concluding Remarks**

This was the introduction on how the research was conducted, it described the research objectives, the problem statement and the research questions that assisted in the relevance of the study. The significance and the methodology used in the study were also discussed. The sequence on how the chapters flow were also shown in this chapter.

The next chapter is a summary of the DCCI, the history, background and the services of the DCCI.

# Chapter 2- Durban Chamber of Commerce and Industry



## 2.1 Introduction

The DCCI was established in 1856. It is a legendary, ‘ultimate business network’ says Layman as the DCCI celebrates its 158 years in 2014 (Layman, 2013:2). The DCCI has constantly been a great support to small and larger companies in the Durban region. The DCCI serves its members and gives them support so businesses can grow to greatness (Ngcobo, 2007). A member is an individual company that pays yearly subscriptions in order to benefit from the services provided by the chamber (Layman, 2014d). For instance a company with 1-10 employees pays R 2323.84 for annual subscription while a company with 1000 employees pays R31, 444.00 annually, according to the DCCI rates schedule. The services provided by the DCCI ranges from tax guides, lobbying on members behalf; and representing the companies as a larger entity. The DCCI currently serves about 2,900 members and maintains the status of being the largest chamber in South Africa. The DCCI has gone through many transformations and changes in management. The greatest change was when the chamber of commerce merged with the chamber of industries and the name was changed.

## 2.2 History

A brief history of the DCCI: when it was established in 1856 it was known as the Natal Chamber of Commerce. The chamber was fused under Charter, known as Natal Law No. 31 in 1884 when the name was changed to Durban Chamber of Commerce (DCC). In January 1985 Pinetown Chamber of Commerce was incorporated into DCC and it became Durban Metropolitan Chamber of Commerce (DMCC). There was another organisation called the

Natal Chamber of Industries catering for the industries of Natal not just in the Durban Metropolitan area. The Natal Chamber of Industries was formed in 1903; it worked well with the DMCC independently. The two merged in May 1992 to form what was called the Durban Regional Chamber of Business. The name finally changed in 1995 to Durban Chamber of Commerce and Industry making it easy for overseas businesses to understand and to avoid confusion (Ngcobo, 2007). It's not only the DCCI that experienced changes, other South African chambers also went through changes.

A chamber has always been a voice of business; in the 18<sup>th</sup> century when chambers were established in Europe, they were meant to represent business as government was imposing heavy laws on businesses. Individual businesses united towards having one voice that could advocate to government on their behalf (Irimiea, 2010). Other elements that impact on chambers are government policies; economic changes like recession; inflation; mergers and acquisitions, which may result in jobs being lost in some instances and can have a negative effect on business (Rangasamy, 2011; Mancini, 2009).

### **2.3 Changes in the Chambers of South Africa**

The changes that occurred were mainly on the amendments to the constitution (Wilson, 1999). The introduction of Black Economic Empowerment (BEE) and other amendments both nationally and provincially forced the chamber to adapt. In 2003 there was a change when Chamber of Commerce and Industry South Africa (CHAMSA) was formed to de-racialise and incorporate the chamber of commerce; stimulate economic growth; grow SMMEs; promote BEE and transform the economy for the benefit of all. CHAMSA is made up of four organisations: the Afrikaanse Handelsinstituut (AHI); the African Business and Consumer Services (FABCOS); the National African Federated Chamber of Commerce and Industry (NAFCOC) and the South African Chamber of Business (SACOB) that is currently called the South African Chamber of Commerce and Industry (SACCI). The DCCI is a member of SACCI. The four chambers retain their independence and their structures (Warnich, 2005). The other changes stem from organisations that are funded by the government like the Small Enterprise Development Agency (SEDA) that began to give services for free such as business management skills; and mentoring to start-up business owners. Such services became a threat to the sustainability of chambers (Valsamakis, 2012).

The DCCI continues to offer several services to their members and others to non-members, they are described below.

## **2.4 Chamber Services**

The DCCI offers advertising in the chamber digest magazine that gives updates on the latest developments in the business world (Manci, 2009). There are banners for advertising on the website. The chamber produces different directories; women in business directory; a member's directory and other sectors directory like tourism which at one point had an exclusive directory. The chamber gives information and other publications through its website. The DCCI provides documents for exporters like Carnet de Commerce, which is a letter that introduces a chamber member to a chamber in another country. Certificates of origin are also provided by the chamber for both members and non-members and it is one of the main contributor of revenue for the DCCI (Zulu, 2005). The certificates of origin have been providing half of revenue for the DCCI (Singh, 2014).

The chamber provides a credit reference bureau; a service that checks credit records for members within DCCI premises. There is an electronic tender service that provides information on tender procurements available for members to apply. There is access to chamber conference rooms and facilities. Human resources and transformation services advise members on policies on employer and employee relationships; it also gives advice on the rights of employees during strikes and how an employer can handle such a situation. There is lobbying and advocacy within the government on the policies of the DCCI. Policies the DCCI has recently commented on include the carbon tax law mostly likely to affect manufacturing industries negatively (Layman, 2014c). Another comment was on the regulation of immigrants and the DCCI's concern on the scarcity of skills South Africa has (Layman, 2014e). The DCCI has been successful in many initiatives when it comes to lobbying for business. The DCCI lobbied against the introduction of development levies that the government wanted to implement and the government suspended the implementation (Layman, 2014a). The DCCI was successful when lobbying to have Durban beaches upgraded in terms of the facilities that are available and the quality of water to achieve internationally recognised Blue Flag status (Layman, 2014a). Durban retains the blue flag status.

There is a member to member marketing initiative through networking sessions. Members and the DCCI need one another and each benefit from their interaction as business grows through DCCI services and the DCCI gains income through members paying subscriptions. There are seminars and workshops; small business advice on how to write a business plan; making a winning presentation; financial management and many other services. The state warehouse service is another service where chamber members have an opportunity to be part of state auctions of imports stored in government warehouses because owners did not claim them (Ngcobo, 2007). Members participate in trade missions facilitated by the chamber. The Chamber also offers its members a pension and a provident fund. Africa Live! A trade in Africa portal is also available and DCCI believes that Africans to Africans trade can work for DCCI members (Layman, 2014b).

The DCCI builds its developmental strategies so as to contain members' resignations and increase recruitment of new members (Singh, 2014). Recruiting members is a crucial mandate for the DCCI, and retaining is another aspect. Being a member of the DCCI is so companies benefit from services offered within the organisation.

'Women in business' is a programme the DCCI has that develops and supports women who owns businesses; who are investors; who are managers and who are executives. The platform is created for these women to connect and to encourage one another, to drive awareness of women who are in leadership and to facilitate equal access opportunities for all. Women also have their Women in Business only directory and this falls under business services (Pillay, 2013).

Members of the DCCI also have loyalty benefits with airlines like South African Airways (SAA), and discounts at some hotels and restaurants etc. Such are benefits of being a member of the DCCI (Layman, 2014b).

A member of DCCI gets business credibility by being a member and displaying a logo of a brand that existed for many years and still stands with business (Manci, 2009). The DCCI gives a strong voice to business.

A member gains valuable networking opportunities, and should manage to create new business links; they also get an opportunity to promote their business (Tsautse, 2012). There

is access to advice on how to get ahead of their competitors. There is access to excellent healthcare and retirement benefits (Gwala, 2004; Tembe, 2008).

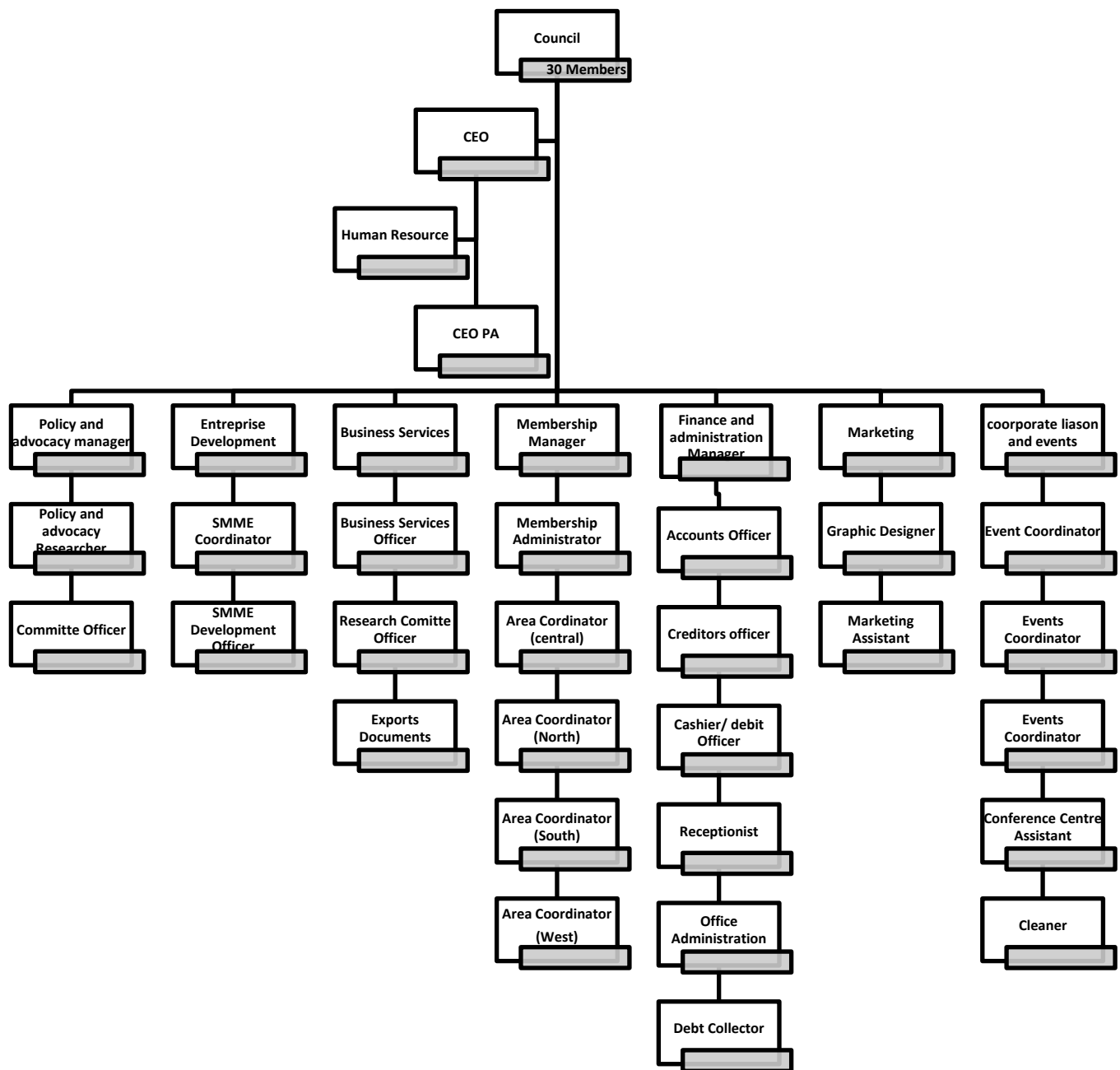
## **2.5 The Durban Chamber of Commerce and Industry Partnerships**

The DCCI has formed a close relationship with the eThekweni Municipality and that relationship has come a long way and has born much fruit throughout the years (Manci, 2009). The Chamber gets to have a first-hand comment on the municipality budget just after it has been confirmed. The DCCI has been able to advise the municipality on the budget and the government considers the chambers' advice. Each annual review highlights projects in infrastructure development; relations with the trade point; events like the annual Gala dinner. The DCCI bridges the gap between the business sector and the government by the relationship that exists and through lobbying and representing the interest of the business sector to government (Layman, 2014d). There are different stakeholders within the DCCI and some of the stakeholders are government bodies like SEDA; while others are larger companies like Unilever etc.

## **2.6 The Durban Chamber of Commerce and Industry Structure**

The DCCI has a certain hierarchy in governance demonstrated in figure 2.1 below.





**Figure 2.1: Organogram of DCCI: 2014**

**Source: (Singh, 2014) Page 3**

The DCCI leadership and staff work endlessly each day towards satisfying the needs of its members and identifying team dynamics that might assist to build up staff energy for recruiting and serving members (Manci, 2009). The council is made up of 30 members and

there are categories within the council. The category of the board of management assists the operational management with advice on the running of the chamber; specifically on dealing with finances. The council is made up of board members, the chairpersons of the 14 committees, the elected members and the appointed members. The elected members are picked because of the importance and significant role they play within the DCCI; the appointed members are black people, who have been placed in the council because there were not likely to be voted for and the chamber finds it important to have black people in its leadership (Singh, 2014).

There is a CEO, who is the head of operations and has a personal assistant. The human resources office work very closely with the office of the CEO in the DCCI and there are seven managers of the different departments. Each department has staff members that are led by the manager. The seven departments are events and corporate liaison; policy and advocacy; business services; finance and administration; membership; marketing and enterprise development (Tembe, 2008).

The chambers' departments strive towards giving services the members need and a newly formed enterprise development office is developing programmes whereby SMMEs can get opportunities to get jobs within the larger companies. Enterprise development is handling the mentorship programme that has been sponsored by the Municipality. Enterprise development concentrates its services mainly on SMMEs (Layman, 2014b).

The business services works with exporter's documentation, business information and facilitation of trade missions. This department is responsible for the exporter's award that is annually awarded by the DCCI and Transnet Port Terminals (TPT) (Singh, 2014).

Policy and advocacy is responsible for commenting on pieces of legislations passed by government, which impact on business. The advocacy takes place at the municipality level; the provincial level through the DCCI and even nationally through the South African Chamber of Commerce and Industry (SACCI) (Zulu, 2005).

The Membership department is responsible for recruiting and retention of members of the DCCI and facilitate the four area committee meetings (Singh, 2014).

The Finance and administration department handles all the finances of the DCCI, and records. Events and corporate liaison organises and facilitates all the events of the DCCI, from networking meetings, to conferences, meetings and facilities hiring (Singh, 2014).

The Marketing department is responsible for the publishing of events on the website, graphics and all invitations (Singh, 2014).

The chamber also has the Durban Chamber Foundation (DCF) which works with HIV& AIDS in the work place as well as tuberculosis (Singh, 2014).

## **2.7 The Durban Chamber of Commerce and Industry Membership**

There are different categories in membership; the chamber has the small businesses and it has large businesses that have more than a 1000 employees. Examples are Unilever, Tongaat Hullett and many others (Ngcobo, 2007).

There are 9 divisions or categories of payment for members. Members with 1-10 employees pay the lowest subscription and companies with more than 1000 employees pay the highest subscription. Fees are payable annually.

The DCCI have members from sole proprietors to large companies. Members sign up and then can begin to use the services. Members come from all sectors of business. Members ranges from a salon owner to a manufacturer of tyres; a construction company; banks; hotels; transportation businesses, logistics services and universities and schools. The diverse sectors of membership are served by different membership committees. These committees are represented in the council where they represent their members.

## **2.8 The 14 Committees of the Chamber**

The 14 committees of the chamber are driven by the members and they discuss issues that affect them within their different areas; standing committees and members do this voluntarily. The 10 committees are the sectors or standing committees as the DCCI calls them; the other 4 are area committees - the Central; Southern areas; Western areas and Northern areas of Durban. The standing committees are: infrastructure committee; SMME

committee; trade and investment committee; safety and justice committee; environmental affairs committee; human resource committee; tourism committee; economic affairs and women empowerment. The committees meet to discuss what is going on within the different companies and sectors they are involved in; sometimes in the presence of the chamber leadership.

Many meetings take place at the DCCI premises. It is within these committees the chamber gets a chance to give members information on relevant topics and on what the chamber has been doing for that sector. Discussions on new legislation are also done within this setting. The chamber has shown success in services they give to their members daily; such as backing up the members on accessing services within the municipality departments that are not easy to access. Furthermore the chamber has been successful in some lobbying initiatives with government on many policies (Tsautse, 2012).

## **2.9 The DCCI Strategies**

The DCCI have a business vision for the economic development of Durban and there are ten goals the DCCI have focused on:

- Increased investment in the city's economy.
- Institutional partnership and collaboration.
- Creation of meaningful employment.
- The alignment of skills development and education to the requirements of economic growth and job creation in the city.
- The promotion and development of a vibrant small business sector and sustainable enterprises within it.
- The provision and maintenance of adequate infrastructure.
- Building an iconic reputation as a green city.
- The achievement of 'international destination' status for leisure, business and tourists
- The rejuvenation of the inner-city.
- Creating a crime and grime-free city.

These are all the DCCI strategies in contribution of making Durban a city that flourishes in business and in its general economy (Singh, 2014).

## **2.11 Concluding Remarks**

This chapter has dealt with the DCCI background; it dealt with changes that took place over time; name changes and the merges that the DCCI had that changed the face of the DCCI when industrialists of the KwaZulu-Natal joined the the chamber of commerce.

The changes in other chambers are briefly discussed in this chapter. The services and the success of the DCCI initiatives towards the development of eThekwin Municipality is also covered.

The next chapter deals with literature that is relevant to this study and such literature is reviewed.

# Chapter 3-Literature Review

---

## 3.1 Introduction

This chapter presents literature that is current and relevant to the research objectives. It covers issues such as membership; attracting business to become chamber members; systems thinking and information on chambers in other countries. It covers theories that deal with membership and the challenges and possibilities of retaining members. It explores the different benefits companies can gain from their membership and the services offered by the chamber. It further explores other organisational challenges in the 20th century that chambers face; such as those that may cause businesses not to join the chamber.

It looks at economic changes that affect businesses, for example the 2008 recession, whereby many businesses were forced to close down and others to go for alternatives like mergers and acquisitions (Rangasamy, 2011). By looking into other chambers and other membership based organisations, globally, Chambers of Commerce and Industry in South Africa, can learn how they operate and note lessons that might be learned (Lacho, 2011). Systems' thinking is the theoretical framework of this study because it enables the researcher to explore phenomena holistically and observe all the dynamics involved. It ensures all relationships and linkages that impact on membership and all stakeholders in this regard are considered including member to member networking; and the other stakeholders, staff members and the management and the leadership. It assisted in realising non-obvious interconnectedness and the interactions that takes place between different stakeholders (Skarzauskiene, 2008).

## 3.2 Membership Based Organisations

There are many kinds of membership based organisation, which are considered in this review to learn about membership and to understand changes in membership patterns. There are Non-governmental Organisations (NGO) as chambers are NGOs (Singh, 2014) there are professional organisations; unions; political organisations and companies that are customer based and rely on retention systems for survival. Many of these customer based organisations like the telecommunication companies and automobile companies have specific methods of retaining their contracts and loyal customers (Johansson, 2010; Stone, 2006); while other

organisations were selected because they experienced a decline and dealt with such a decline (Poguntke, 2012). The word member represents the client and customer within this research. Organisation is a word used to cover companies, firms, NGOs, Unions and sometimes Membership Based Organisations (MBO).

The NGO's are marked with certain characteristics, they have a democratic right meaning, they use votes to elect leaders; they have professional staff that runs operations and they are accountable to the membership (Chen, 2006; Conradie, 1999). The success of an NGO is marked when it achieves the objectives they promised to their members, and manage to retain and expand that membership. Such NGO should be able to show progress towards financial and managerial self-reliance, and have ways of encouraging members to have a stake within the organisation. A successful NGO brings a certain improvement to the economy of the country and brings better self-esteem and social wellbeing to its members (Chen, 2006).

### **3.2.1 Internal and External Objectives of MBOs**

Internally organisations strive to build individual capacity, promoting expression and dialogue, and carrying out projects (Conradie, 1999). Organisations have to have democratic structures whereby leadership is accountable to members (Chen, 2006). The role of members is significant as they pay fees and also assist in kind. The Jefferson Chamber is an American chamber for small businesses based in America; it relies heavily on its members for donations towards events that takes place within the chamber (Lacho, 2011). Many organisation strive to be 'homogenous' so their objectives can be easily achieved; in a case of chambers they serve business entities of all sizes the common denominator being business (Hayes, 2001). Membership organisations have a strongly internalised 'code of moral conduct' that assist in guiding the actions of individuals within the organisation (Chen, 2006). The code of moral conduct gets to be challenged when an organisation has grown, considering the cultural and social norms that exist within organisations. The other challenge is the capacity management when the organisation changes, or grows to being a large organisation. The increased complexity of operations often creates a division between the professional managers and the membership (Hayes, 2001).

Externally the organisations aim at gaining access to policy discussions; being able to influence change in policies and representing their members (Tsautse, 2012). The organisations desire to be the community power support structure, broadly enabling a legal, policy and political environment for its members. Waring (1996) argues the importance of

systems environment towards setting the boundaries within the system of what is inside and what is outside. Waring's take on systems thinking builds on applied systems thinking, and he looks at systems environment components that affect the systems. The system is unable to control these environments openly or to any significant extent. The overall environment management of the system in the organisation is likely to include public policy; legislation; technology and the economy to mention a few. Through lobbying, organisations attempt to influence this environments, but cannot manage to control them (Waring, 1996).

Organisations must build relationships with stakeholders and donors that do not subvert the internal democratic procedures of the organisation (Chen, 2006). The external challenge when the organisation is larger is ensuring a diversified external source of support, particularly financially, in a manner that does not undermine the basic nature of the organisation. The members should have a delegate in governance that keeps the board accountable (Wadsworth, 2014; Conradie, 1999).

### **3.2.2 Members of Membership Based Organisations**

A member is an individual or a company in a case of chambers that formally perform a certain declaration, sign up or make an oath accompanied with a fee payment to join an organisation (Zuckerman, 2003). Members mark the success of organisations when they participate in their role, paying their dues and using word of mouth to promote the organisation so that others join (Chen, 2006). The membership organisations of the day are marked to be successful if they manage to increase the number of members without reducing the subscription fees (Conradie, 1999). Such organisations show that it's achieving its objectives of improving the lives of its members. There is a relationship between satisfaction and the renewal of membership (Stone, 2006). Members benefit from their membership in two forms, soft and hard benefits. The hard benefits have a monetary value while the soft benefits are there to enhance and benefit the members experience (Hayes, 2001). The members should realise both so that they can value their membership better. Clark and Gallagher (1989) express the importance of the members' commitment to their organisation. They argue that the effectiveness of the organisation stems from the commitment of the members. A high level of commitment by a member is seen when they are proud of their organisation, and they find their brand as the best and they wear it with pride. The commitment is also seen when members take on responsibilities, and are enthusiastic about



attending organisational events. Members should have belief in the organisation and show support (Clark, 1989).

Members of organisations should know their rights and responsibilities within the organisation Wadsworth (2014). The organisation that represents its member gets to be successful when both the organisation and members play their role. Members have to understand what their organisation stands for; they have a responsibility to read about it; participate in the elections; understand the purpose; the mission; the goals; the operations of the organisation; the limitations the organisation has and the governing structure. It's a responsibility of each member to find out what is its strategic plan, what will the organisation be in the future and ask relevant questions (Wadsworth, 2014). For the MBO to exist there should be members, and new members should be recruited.

### **3.2.3 Members Acquisition**

Membership acquisition occurs when a person who was not a member is converted to be a member. Before they actually get converted there has to be awareness about the organisation and they should get attracted, then become members (Zuckerman, 2003). The awareness part is crucial because it can determine two elements; firstly it can decide on the expectations of the organisation and secondly can assist an individual or a company in reaching a decision to join and become a member (Hayes, 2001). Many organisations find the acquisition of members to not be as great a challenge as keeping such members in membership (Khomu, 2009). Non-membership is still a problem because people are just not joining organisations, they are staying away. Their reasons differ, other finds it to be time consuming to join an organisation while others finds membership fees costly (Salehi, 2013). Recruiting members has been strategic for other MBO's as they found targeting a certain group of people that was previously excluded, like in America the Hispanic and African people was a priority (Robert, 2001). Membership can also occur by sense of belonging, affiliation sometimes occurs when they see their personal fit within the organisational environment (Zuckerman, 2003). Educating non-members about an organisation and making the available services known to the public is one form an organisation can use to attract new members. Marketing is what many organisations advocate; spreading the word on what the organisation does, and making as many people in the interest group join to be members (Kabiraj, 2009).

Marketing by an organisation in any form can assist in acquiring more members; organisations differ, some believe that referrals through word of mouth are the best way to recruit (Zuckerman, 2003). Other organisations go for mass media television and radio, campaigns and raising awareness by giving flyers (Hayes, 2001). The sole purpose for all the initiatives is to attract more members and grow the organisation. The most important part being able to retain members that have been acquired (Khomu, 2009).

### **3.2.4 Membership Retention**

The studies on retention prove that it is more profitable for an organisation to retain existing customers than to acquire new ones (Johansson, 2010; Hamid, 2004; Kabiraj, 2009). Organisations gain in many forms with retention, Karibaj and Shanmugan (2009) mention that if the company has loyal customers, it saves on operational costs as such companies then have no need to invest in expensive marketing. Successful retention further gains more customers through referrals. Johansson and Unnikrishnan (2010) discovered that referrals are a way organisations can lower costs of subscriptions as there will be more members. Organisations believe the best way to retain members is not only to satisfy them, it's what the competitors also do, but to retain is to be able to keep loyal and satisfied customers (Johansson, 2010). There are ways in which organisations identify loyal customers in order to give them service that will make them renew their membership.

Organisations are facing competition, they therefore have to be more focused on individuals when creating services to meet needs and stay competitive. This approach of meeting the needs of individuals requires organisations to have services in the form of an enquiry centre whereby a member can complain if they are dissatisfied (Johansson, 2010). Retention depends on service quality and on whether a member is satisfied. The best alternative for an organisation to achieve high retention is to target customers likely to respond positively to retention activities (Radcliffe, 2007). This is crucial because it often occurs that the desperate actions the organisations take towards retention actually provoke some members to leave; an example is a reminder of the end of a subscription period to a member can be a reminder to be free from the payment and not renew (Unnikrishnan, 2012).

Retention is different from recruitment or acquisition of a customer or a member (Johansson, 2010). When a customer or a member has signed up, there is a guarantee the member is in for a certain period of time. Most times the membership and customer based organisations value

acquisition only, without realising that there is no ownership, the organisation does not own that member or customer (Stone, 2006). Retention is usually never an action, but often a state whereby customers renew their membership. When an organisation realises who are the most important customers and begins to focus on retaining them such leaving is not so important, because retention is never an easy process and it takes a long focus, but ensures profitability (Stone, 2006).

Retention requires organisations to implement systems that are managed over a period of time to give profitable results. Organisations that encourage members to state their dissatisfaction about service provides their staff with training that assists them to handle complaints and assist members instantly. The principle that complaints are inevitable in a service organisation, as mistakes are bound to happen in any human endeavour, applies to membership based organisations and the operational staff (Johansson, 2010). Service recovery processes are always in place in such organisations to assist in rectifying a mistake that has occurred.

There are measures and structures chambers sometimes develop towards retaining existing members (Wilson, 1999). Retaining members requires commitment from organisations to facilitate a programme of retention (Gryczan, 2011). The chambers try to render various services; others give instant results while others provide long term rewards to members. The challenge chambers have is whether members realise these benefits and utilise them (Layman, 2014d). Most chambers have diverse business communities that belong to them; the challenge is to satisfy their needs without depriving any other sector (Gryczan, 2011).

The Jefferson Chamber of Commerce is involved in its community. It assisted them during disasters, and thus growing its popularity and gaining the trust and favour of the community (Lacho, 2011). Lacho (2011) mentions that community members prefer to buy and support businesses owned by chamber members.

The chamber as a community based initiative should be relevant and communication is crucial. There are 'new' methods of communication that could assist in recruiting or advertising for members. The use of social networks has increasingly formed a significant part of business in the 21<sup>st</sup> century. Chambers have taken to using modern technology (Wilson, 1999). Twitter, Facebook, Instagram, Google and LinkedIn, are the new forms of

communication(Phong-ngwong, 2012). The other aspect of social media that Nitzan and Libia (2011) recognise is that it tends to influence decision making in an individual. The social environment for a member plays a major role in their retention. An individual tends to like to use similar services with their social counterparts. Being able to study influences on the customer can assist in dealing with retention.

There is a clear relationship between satisfaction and loyalty of a member; organisations have a responsibility to put measures in place to ensure their member's satisfaction. Technology seems to be a solution; organisations use websites, telephone measuring and texting messages to find out what is on the minds of customers(Nitzan, 2011). The mission is to have data on individual members that will show what their preferences are and assist the organisation to cater for such members. Retention management is mainly based on a member's experience. The experience of a member is affected by many things including third party influence, media and other members through word of mouth (Stone, 2006; Nitzan, 2011). Managing contacts by the organisation is one form of retaining such members.

#### **3.2.4.1 Members Experience Data**

Member's experience data is an integrating perspective that is easily abandoned, but very essential in order for an organisation to be able to cross boundaries and achieve a broader scope than just contacting members. Many organisations have a challenge in managing their members contact centre. The challenge is caused by disconnections that occur either between the operations or other channels an organisation might use to gather its database (Stone, 2006). Member experience data forces the organisation to focus on individual members; it is a reminder to service providers like chambers that the pleasant experience of a member is not in marketing concepts or sales efforts, but it's all about the operations staff of the organisation (Stone, 2006). This statement does not refer to just 'customer service', but to the actual member experience and to the quality of the service they receive.

Organisations that have adapted to recording members' experiences use the experiences a member had within their organisation as well as the wider experiences such member has throughout their time as a member; it's about managing the journey of a member (Bun, 2009). The different sequences are usually interrelated; there are short, medium and long routes of finding a sequence and gathering the experience data. The shortest is a website visit of such a member, or a telephone enquiry. The longer one is the service acquisition, where a

members needs are known to the organisation, even how the member feels. The medium is making sure that during membership, knowledge of many aspects of that member is gathered (Stone, 2006). Managing an individual member's journey; looking into their demands using other integrating efforts to serve them; different activities they get involved in, results in many organisations avoiding using data collecting methods as they are demanding. Natzia and Libia (2011) argue that managing behaviour of members is a traditional form of retention, that member's loyalty and social perspective should be examined for retention. They state that word of mouth has been known to produce behavioural learning. The referrals have more influence as people tend to look at people with similar trades and associate with them. If they have similar education, occupations and beliefs they tend to associate. Loyal members have an ability to influence others to join an organisation through their social influence (Nitzan, 2011). Organisations that have been using member's data for some time, have seen good results and find it to be a differentiator from competitors (Bun, 2009; Stone, 2006). Customer relations management is popular and software has been developed to integrate it.

#### **3.2.4.2 Customer Relations Management**

Many modern day organisations have adapted to Customer Relations Management (CRM) technology in the form of software on their websites. The intention of the expensive software is to keep members informed and interactive with the organisation (Johansson, 2010). Technology has an ability to assist organisations with different tools to adapt to the rapidly changing needs of members by customers being able to connect with the organisation; the organisation thus manages to meet the current needs of a member. Organisations that have a website are seen as progressive, which gives them a competitive advantage over other organisations (Unnikrishnan, 2012). The heart and soul of CRM technology is to refine who are loyal and good customers, and to be able to focus on such members in an organisation. Relationship management forms a crucial part of an organisation as it helps with understanding the way a member behaves, and assists in giving a personalised service and being able to retain such a member. The internet technology does not necessarily give knowledge about the member, it is in the interaction and loyalty they have with making time to interact with the organisation that does (Hamid, 2004). The other ways organisations use to retain members are by using a retention model that is briefly discussed below.

### **3.2.4.3 Retention Model**

A retention model has been used in the social association of group membership and is applicable in many MBOs. What is unique about this model is what the model calls a 'psychological contract'. A psychological contract that a person signs within themselves; one can call it expectations of an individual of what they will gain through membership (Zuckerman, 2003).

The challenge with a psychological contract is that it is only known to each member as they have signed within them and it's not known to the organisation. The danger is that as the organisation activities goes on without realising this expectation, a member already is calculating when to withdraw their membership due to disappointment of un-met expectations (Zuckerman, 2003; Stone, 2006).

A psychological contract is not static, it can change with time; there are many influences an individual or a company can go through. Organisations are advised to be cautious of what information they provide before a person becomes a member as that influences their expectations; although that might not be the only influence, what other people say about the organisation also matters (Nitzan, 2011). The issue of sustainability of MBOs is crucial as there are several threats to the livelihood of these organisations. Financial constraints; new technology to mention a few places a threat to the sustainability of MBOs, this is explored further in the next section.

### **3.2.5 Membership Organisation's Sustainability**

The sustainability of the environment, of organisations and of livelihoods has been a concern of the 21<sup>st</sup> century due to many rapid changes (Conradie, 1999). The main concern is for the future and its preservation. An often asked question is, 'in meeting the needs of today, aren't we compromising on the abilities of the future generations to enjoy similar benefits?' (Engelen, 2005). The sustainability of organisations such as chambers is at stake as the relevance of them is fading due to competition with organisations that gives similar services (Zulu, 2005). Members' demands are more demanding than before and meeting their needs has become more difficult (Unnikrishnan, 2012). This section will briefly discuss the

sustainability of chambers by looking at the financial management and the management role for the benefit of members and its sustainability.

### **3.2.5.1 Management's Role in Sustainability**

Membership sustainability will be successful if other related matters are addressed. The financial sustainability of MBOs are crucial to sustainability of its membership (Abraham, 2006). There cannot be any financial sustainability without sound management (Conradie, 1999). The management of an organisation acts as a builder of operations. Organisations through their management should have policies and actions that are sustainable. By sustainable it means the organisations should have a long term perspective on where the organisation is going. The operations management of the organisation is the key role player for the organisation's effectiveness, especially when it comes to funding and financial sustainability (Conradie, 1999).

Management of organisations have to be skilled and be able to play their leadership role well; have control over situations; have organisational development skills; be accountable to the funders and members and allow for systems development. There has to be monitoring and evaluation in place that will enclose the impacts assessment. Management have to find means to ensure there is a flow of communication at all levels within the organisation and to the members (Conradie, 1999). NGOs are in great need of wise managers who have the capacity to make sense of the whole, and manage to see the relative significance and position of parts in that whole says Grovelt (1992). A decline in membership poses a challenge in sustainability of an organisation to management. Roberts (1999) suggests an organisation should implement new ways in which they can gain back the trust of their membership. Sticking to the mandate and representing members firmly and advocating for them against injustices, which would need the strength of a large representation. He furthermore suggests organisations with similar mandates, in this case chambers, and should merge to have more strength. Merging will result in broader benefits and service provision for members. Managers should also work on the skills development of the operational staff, Roberts advocates (1999) for improved usage of technology for the benefits of members and sustainability of organisations.

### **3.2.5.2 Financial Sustainability**

Financial sustainability is critical as far as NGOs are concerned because all the programmes that are run within such organisations rely on financial stability (Conradie, 1999; Abraham, 2006). Abraham (2006) argues that NGOs are a ‘melting pot’ of mission, money and members. Many NGOs are funded for a while only to run out of funds and be stranded again. Organisations like chambers have to have creative ways in which they can be self-reliant and be independent for sustainability. The greatest challenge NGOs, including chambers, have is managing their expenses and being able to sustain themselves and serve their members (Singh, 2014). Financial problems have impact on an entire organisation; hence it is crucial to discuss them. An organisation will only have stable financial sustainability if the organisation has the right systems in place that promote sustainability. There has to be good planning and staff should be skilled; there should be good coordination within the organisation. There must be, accountability through budgeting and reporting of finances (Abraham, 2006).

Abraham (2006) recommends a tool that can be used to gauge the financial performance - ratio analysis. Ratio analysis assists an organisation in identifying strengths and weaknesses as it looks at the organisational profitability, liquidity and financial stability. Organisations that use ratio analysis are able to detect financial inconsistencies and manage to focus their attention on issues of organisational importance. This tool assists management to ask the right questions about an organisation’s objectives and its membership, that is how this system can create focus (Abraham, 2006). Ratio analysis is important for this research as it focuses on the membership mission and calculations are centred on fulfilling a mission for the member of the organisation. There has to be forms in which organisations sustain their finances.

NGOs that are successful are ones that sell their goods and services at market related prices (Conradie, 1999). They survive by selling their products to members for a fee, and paying for the venues when they hire them (Hayes, 2001). Such organisations are in a better position financially as they become less dependent on continuous funders and have stability of their own (Conradie, 1999). NGOs are advised to run their organisations more like businesses and move away from welfare to ensure financial sustainability. NGOs are guided to install financial systems that will assist in doing away with reactive actions and motivate for more proactive decision making (Abraham, 2006). The essential aspect for any organisation is to ensure that equilibrium between the benefits provided to members to the cost incurred by the organisation (Hayes, 2001). When financial sustainability is ensured, organisations



experience many changes. Any system goes through changes; chambers in South Africa have gone through many changes which have caused membership to decline; the next section deals with the decline and the reasons for such a decline.

### **3.3 Membership Decline**

The turn of a century caused many membership organisations to experience a decline (Johansson, 2010). Political organisations, NGOs and Christianity have all lost membership in the new century (Khomu, 2009; Poguntke, 2012).

There is a general decline in different European countries' political parties' membership which have motivated people like Poguntke, T. Mair, P. & van Biezen, I. (2012), to research the reasons behind the change in membership, looking at the current generation as compared to past generations. Unions have also experienced a substantial decline in their membership over the past decade (Clark, 1989). A few examples of the decline and its causes are briefly discussed in this part of the chapter which will cover some NGOs and professional organisations. NGOs in Guinea in West Africa experienced a decline where health insurance lost its membership drastically. Mutual Health Organisations (MHO) have been considered as one of the innovative initiatives in health insurance for poor communities, but failed due to many bad management decisions and failure to adapt to change (Wealkens, 2003). Top-down decision making justified in the eighties and early nineties was accompanied by standardisation and uniformity, which led organisations to be rigid and limited creativity. Member's participation was not allowed and that created a lot of complaints by members. The quality of service was bad within the public health care facilities and members were unhappy (Wealkens, 2003). Another complaint was the bad attitude which was labelled as disrespectful and unpleasant by the public health care employees. People began to look for alternatives, particularly within the private sector (Wealkens, 2003).

Another example of decline in membership is in a South African professional organisation called the Library and Information Association of South Africa (LIASA). A study was conducted on the 'poor' membership of library workers and this seemed to have been a universal challenge as far as library associations were concerned (Khomu, 2009). The Indian Library organisation has been experiencing a decline in membership and the main cause of decline in India, according to the International Federation of Library Association Institution (IFLAI), was the lack of what were the benefits of being a member of the association. There

were several suggestions on how the library organisation could overcome the challenge. Wilson (1997) argues for clear marketing strategies that can assist in retaining existing members as well as attracting new members. Wilson (1997) further argues that marketing campaign initiatives should be integrated with developmental plans of an organisation in a way they will be cost effective. The cost effectiveness will be further enhanced by an organisation implementing and monitoring marketing in a more cohesive, continuous and comprehensive manner.

In Africa library organisations are characterised by small membership bases, limited finances and failure to adapt to change in their environment and lack of visibility. This has been labelled as membership apathy and identity crisis by Raju and Khomo (2009). Another study on African library organisations by Kawoya (2001) indicated that under-staffed organisations are the result of failure in initiatives the organisations get involved in. LIASA has been fortunate to have been funded by international organisations however LIASA have a problem in the growth of its membership (Khomo, 2009). LIASA is different to other librarian' organisations in that it accommodated both professional librarians and support staff that are non- professional librarians. Most librarian organisations were criticized for being elitist in that they were not serving support staff. LIASA's aim was to unite all individuals' interested in library and information work, to actively safeguard and promote the dignity and rights of its members socially and economically. In the ten years of its existence since 1997 to 2007 LIASA had 1068 members who have paid their subscriptions and in 2007 had 1400 members. Although this organisation had great intentions of uniting all the library workers, non-professionals still felt they were not accommodated in the activities of the organisation. Findings in the 2009 study of Raju and Khomo show that membership retention is key in LIASA and measures have to be in place on how the organisation can retain its membership. Recruiting new members has not been an issue, but non-renewal is because of financial constraints and no benefits experienced by members for being a member. The suggested solution towards the growth of LIASAs membership is to tackle the non-professional members' services, create some services that will suit them. However the professionals find LIASA not being professional enough in opening for non-professional staff. This is just one example that shows membership based organisations have issues that demand systems in place that will continuously transform and standardise them for success and adaption to the current situation in South Africa. Different reasons were identified as the causes of decline in different MBOs and they are further explored in the following sections.

### **3.3.1 Reasons for Membership Decline**

In South Africa apartheid had a tremendous effect on membership organisations as many were segregated for whites only and many people did not find it important to be a member. The South African Librarian Association (SALA) did not allow any black person as members; causing blacks to form their own associations and such decisions according to Raju and Khomo (2009) have tainted membership organisations to this day.

General reasons why members leave their membership are because of the lack of energy and skills of operational staff when giving service to its members (Khomo, 2009; Stone, 2006).

In a study done in three large European political parties, labour, conservative and liberal democrat, results showed a continuous decline in membership and the reasons the majority gave for their resignation was they would like to have incentives for their participation (Whiteley, 2009).

Unions have been impacted by the decline in membership tremendously. This is important in the case of chambers, for them to understand similar trends that might be impacting on their organisation and causing such a decline. The high unemployment came from the loss of labour; changes in technology; slow economic growth; as information was readily available members didn't see a need to pay a subscription for information they can get for free on the internet (Roberts, 1999). The transformation that firms and organisations are going through also caused a decline (Poguntke, 2012). The different policies that are implemented have a tendency of taking away the responsibilities that were previously in membership organisations' hands (Roberts, 1999). Roberts (1999) further states that international economic competition that is rising daily takes over the membership based organisation jobs, globalisation and open trade. The same sentiments are shared by Traxler (2010) when he mentions internationalisation and other developments that hold the label of 'disorganised capitalism' have been manifesting themselves in the decline of membership. The loss of influence and demise of corporatism as many MBOs experienced decline due to such developments (Traxler, 2010).

The theory of collective action demonstrates that a large scale organisation that works towards the acquisition of resources that will benefit the entire constituency, will not sustain

membership (Cell, 2001). There has to be a selective incentive, as discussed broadly in section 3.9. The incentive to belong is made weak by including non-members in the benefits of the organisation gets to see successes(Traxler, 2010). There is a challenge in defining membership; it's broadly reviewed below. Defining a member can be challenging and can cause confusion; the next section will define the three challenges and explain what makes it difficult to know who is a member within membership based organisation which may pose a challenge in managing membership.

### **3.4 Membership Complexity, Ambiguity and Dynamics**

Membership can be problematic to define because of complexity, ambiguity and dynamics attached to it (Huxham, 2000). Evidence is that membership of collaborations is generally regarded as vital for success because of the unity of voice hence why people may pursue to be part of collaborations like the Chamber (Huxham, 2000). These challenges are discussed in depth in the next section.

#### **3.4.1 The Challenges with Defining a Member**

A lack of clarity regarding who are members of an organisation can bring about confusion. This lack of clarity is caused by the ambiguity regarding the status of members, the relationship between individual and organizational members and the source of members' representativeness. The fact that many associations have extremely complex membership structures further adds to the present confusion (Huxham, 2000). Members' perception of who else is a member varies by the status each member holds within an organisation. Further confusion occurs when organisations or communities are also being represented within an organisation (Huxham, 2000).

Taking the linguistic perspective, it seems expected that the term 'member' will continue, in the context of collaboration, to be used to refer to the individual collaborative group members and the organizational members. This is because the English language does not provide a ready alternative(Huxham, 2000). Membership ambiguity, complexity and dynamics are discussed using the table 2.1 below. The ambiguity of the status of a member and ambiguity of representativeness pose a challenge of an unclear positioning of membership by an individual or the organisation.

#### **Table 2.1 Shows the Complexity, Ambiguity and Dynamics of Membership**

**Source: (Huxham, 2000) Page 778**

<b>Ambiguity-</b> Ambiguity in membership and status and ambiguity in representativeness	<b>Complexity-</b> Complexity in structure	<b>Dynamics-</b> Shifting membership, shifting purpose and the pace of change
<p>-Members' perceptions of who else is a member varies</p> <p>-Members' perceptions of each other's status in the collaboration varies</p> <p>-Members are confused over the degree to which an individual representative is representing an organization</p> <p>-Members are confused over which organization, or other community is being represented</p>	<p>-There can be complex hierarchies of collaboration</p> <p>-Individuals and organizations are often members of multiple partnerships with overlapping membership</p> <p>-Departments of an organization may become involved in partnerships independently of each other</p> <p>-Collaborations often have complex structures involving partnership staff, executive committees, working groups etc.</p>	<p>-Government policies and other forces cause demise and reforming of organizations</p> <p>-Individual representatives come and go or change their role within their organizations</p> <p>-Government policies and other forces lead to refocusing of collaborative purpose (and hence of membership)</p> <p>-Mismatches in members' agendas lead to continual negotiation of purpose (and hence the possibility of changing membership)</p> <p>-Learning from past activity and completing agenda items also leads to continual negotiation</p> <p>-Changes can take place frequently, rapidly and sometimes imperceptibly</p>

The key elements of collaborative structures that should be understood are the ambiguous, complex and dynamic membership in order that experts convening them or policy makers promoting them clearly understand the huge challenges which collaboration presents (Huxham, 2000). Accomplishing collaborative advantage for all; but the simplest of

collaborative tasks requires major resource investment, significant managerial skill and patience from each of the individual participants (Webb, 1991). The goodwill of these individuals and of the organizations they represent is also essential. The dynamic shifts that take place while one is a member that might bring about changes to the previously known membership role can also be a challenge (Huxham, 2000).

Complexity comes with the complicated hierarchies organisations have. Complex hierarchies within collaboration by individuals and organisation are often caused by members of multiple partnerships with overlapping membership. The departments of an organisation might be involved in partnership independently of each other and collaborations frequently have complex structures that involve partnering staff, executive committees, working groups and so on (Huxham, 2000). The dynamics that are mainly caused by a shift in membership, shifting purpose and the pace of change because of government policies and other forces may cause a certain collapse or a negative change within an organisation affecting its membership. When individual representatives come into the collaboration or leave that brings about a change in their role within their organizations. The discrepancies in members' programmes that may cause them to have a re-occurring negotiation of their purpose may even lead to that member changing their membership. Another dynamic are lessons from past events and implementations that may cause repetitive negotiations. The frequent changes that are rapid or are occurring gradually may affect membership dynamics (Huxham, 2000). Chambers should be aware of challenges in defining a member in order to manage their membership well and have clarity on who belongs to the chamber and why.

There are two elements that pose further challenges towards membership; power and trust. Power distinction between members can become a challenge when there is uncertainty in the membership structure. However the transferred social order and a solid trust formed can be quickly destroyed at any point by the changes that take place within membership (Huxham, 2000). The MBOs have to faces many challenges; the external impacts are more challenging particularly where government is concerned. Being able to identify different elements involved for this study made a reference to systems' thinking which has been valuable for this study as it ensures that the issue membership decline and membership retention is holistically examined.

### **3.5 Systems Thinking Holistic Perspective**

The word 'system' is taken from the Greek word 'synhistania' which mean to place certain things together Laszlo (2012). A system is made up of fluid interactions that are non-summative, complex and integrated at a novel level of the organisation allowed by the interdependence of its parts. Chambers fit this description in that they aim to sustain fluid interactions among members, but which are non-summative, in that each member is an independent entity but is also interdependent on other members for essential functions. The essential function which includes business to business marketing that takes place during the networking session, as an example.

Systems thinking further have an ability to allow dynamic and holistic examination of an organisation. The complexity of organisations like a chamber can be tackled by systemic thinking as it has appropriate tools that deals with complex situations (Senge, 1990). In his book the Fifth Discipline Peter Senge mentions that systems thinking is needed now more than ever, as the world deals with rapid change and information processing that makes the real world complex (Gerhlert, 2013). Senge (1990) further states that systems' thinking entails a shift in mind-set, by applying a systemic way of thinking. The two main elements of mind shift according to Senge (1990) are being able to see interrelationships rather than linear cause-effect (Ng, 2004; Waring, 1996). The second one is seeing the change as a process instead of snapshots (Senge, 1990; Laszlo, 2012).

This is because systems thinking uses language that fosters restructuring of thinking (Senge, 1990). Systems thinking best explains how to deal with complexities of chambers; the ability systems thinking has to see the whole being greater than the sum of its parts will assist to leave no concept of the system unattended (Skarzauskiene, 2009 ; Gerhlert, 2013). Systemic thinking assists in dealing with short term and long term feedback dynamics (Laszlo, 2012). Feedback signals assist in monitoring outputs from a systems process (Waring, 1996). There are changes that pose a threat to the wellbeing and sustainability of the MBOs; they are explored in the next section.

### **3.6 Challenges of Change on Membership Based Organisation**

When an organisation goes through a funding withdrawal or a reorganisation within the public sector, or a merger, it means that organisation ceases to exist or sometimes they merge. These cause changes that may pose a certain level of challenge to collaboration. Change that

is caused by individuals can also have an influence on membership. When an individual's role changes within an organisation, for instance a new career move or their contract ends with the organisation. Those often result in that individual ceasing to be a member of that organisation's representative within the collaborative group. The normal reaction by the organisation in a quest to continue being a member they elect a new representative as a replacement. There are times when the whole organisation ceases to be part of the collaboration because of an individual's departure. Change that is brought about by an individual can bring about role changes and add more people into the collaboration (Huxham, 2000). Such are the complexity of MBOs and chambers, being one of them, should address these changes. The different chambers services are explored in the next section.

Change in membership has consequences on an MBO and the principle of managing change could assist such an organisation with dealing with change. Change requires addressing what one desires to change which is strategy. What are the skills available for this change to be a success, and what are the long and short term organisational tools to support the new state (Carter, 2008)? Managing change has become a crucial part of the growth and success of many organisation of the 21<sup>st</sup> century. Change occurs daily and this changes forces businesses to also change towards innovation and creative ideas that will make them relevant and competitive (Cao, 2003). The organisations are forced to adhere to change management concepts to find what is fitting for their organisation in order to defend their market share, sustain their business and come up with creative ways on what will fit their organisations (Staren, 2013; Cao, 2003). The chambers are not immune to change impacts, as they have faced several changes throughout the years. Dealing with members is as demanding as dealing with customers as each have different problems to be tackled and each demands individual attention, and that requires operational staff that is proactive (Stone, 2006).

The appointment of a new manager of a chamber who comes with new plans and focuses on the changes they desire to see happen during their leadership in the chamber can also be a major change (Gryczan, 2011). When leaders anticipate any major change, it is important to consider the impacts of that change on who will be more affected in the organisation and look at all the various areas that are involved in that change (Staren, 2013). Change does not have to be major, small changes can make a great difference to circumstances within the organisation (Gerwel, 2009).



The accelerating change that impacts on MBOs is further caused by the advancing technological innovation that forces organisations to change. Organisations that were established and operating independently are suddenly part of globalisation and in competition within their country as well as with the whole world (Lewin, 2000). Companies are forced to create an environment of urgency in the workplace, a need to respond, and adapt towards greater results for the business. Organisational leaders get interested in such changes, and begin to create ways to respond to the changes, as well as how to overcome the challenges that comes with the change. In many instances it occurs that what suddenly used to be a time-honoured business strategy becomes inadequate; it's one of the dilemmas of change.

Where there were linear models of dealing with organisational problems, managers find themselves struggling with something that is more non-linear (Lewin, 2000). An interest in complexity study stems from the frequent and surprising change that takes place within organisations. There general challenges that are complex manage to induce inaction within members which includes difficulties in negotiating joint purpose; one example is the diversity of organization. One of the challenges that occurs is when individuals' aims that drove them into collaboration get hindered by difficulties in communication because of differences in profession or sometimes natural reasons like languages and organizational sometimes ethnic cultures (Huxham, 2000). The chamber's diversity in membership in a case of large South African chambers where the large and small organisations are in the same membership pose such a challenge (Richards, 2014).

The complex changes chambers go through occurs when trying to develop a joint method of operating within the organisation. Many chambers consist of several companies and organizations that inevitably operate slightly differently regarding internal procedures from each other creating disagreements. The leadership of chambers face more complexity when managing the accountability of the collaborative venture to each of the partner organizations, because of the power and trust issues. Another challenge is with the location of members. The desire would be to work collaboratively however logistics get to be hindered when they have to work with others who are located in remote areas (Huxham, 2000). Networking is the essence of chambers; network theory stipulates the importance of relationships in business (Ngcobo, 2007). There are disadvantages in internationalisation of markets for organisations like chambers. When businesses go independent and no longer finds a need to be part of an association (Traxler, 2010). Comparatively, the larger firms are more likely to penetrate

international markets than smaller companies due to costs and resource disposal (Urban, 2012). The chamber membership and its challenges are discussed in the following section.

### **3.7 Chambers Membership and Membership Challenges**

Several chambers are reviewed to gain further insight regarding the challenges with membership and the experiences with membership retention. This enabled the researcher to draw from the strengths and to make a record of what works and what doesn't for members. There has not been much academic research on chambers like Lacho (2011) who raised a concern by looking at how various chambers each may enrich such knowledge and this research in particular added to a better understanding of changes in membership, membership patterns and ways to retain members.

The six chambers reviewed in this section; namely the International Chamber of Commerce (ICC) which is the largest chamber and mainly deals with issues of international trade and advocacy with major bodies in the world (Carrier, 2014); The Jefferson chamber of commerce became significant because of its involvement with the community and how the interventions by the chamber gave a unique interest by the chamber within the community (Lacho, 2011); The Grand Rapids Area Chamber is also an American chamber reviewed as a chamber with diversity in its membership and shows in a lengthy manner how it is crucial to the collaborations of the organisations for the wellbeing of the chamber (Gryczan, 2011); Cape Chamber of Commerce and Industry (CCCI) as one of the large chambers in South Africa was also reviewed (Richards, 2014); The British Chamber of Commerce collaboration with major stakeholders like the government and the engagement formed a unique and essential collaboration (Bennet, 1997). The other chamber reviewed is a bi-national chamber, the American Indonesian Chamber of Commerce that is responsible for trade relations between two countries (Couch, 1991). There are general functions of chambers that assist to grow their memberships which are discussed below.

#### **3.7.1 The Chambers Functions**

An individual chamber works as a united voice for business and the main function is to lobby the government on policies that threaten the growth in business for members (Bennet, 1997). The chamber provides the government and business a setting to talk about the policies and legislation that may affect business or impact on business. One benefit that members have is to be in a platform where they can communicate with government regarding policies

and have the voice through the chamber. Members appreciate gaining access to the executives of both local and provincial government (Lacho, 2011; Richards, 2014). Chambers are generally known to be voice of business (Carrier, 2014).

Chambers render networking services, marketing and advertisements on their websites (Singh, 2014). Because marketing is expensive but essential and every business is forced to do it, chambers offer a platform to member's businesses on the chamber's website for a minimum fee (Lacho, 2011). The sole purpose of networking is to develop mutually rewarding relationships among members. Networking often results in either finding new customers, assisting in resolving business problems, being the source of important information or even referral to business providers (Lacho, 2011). Communication is through emails on a monthly basis sent to members by a chamber to keep them abreast on activities taking place within a chamber. Members can assist a chamber by sponsorships of networking events held by a chamber because chambers are non-profit making organisations that rely on subscriptions from members and often cannot afford events. Larger sponsors pick the gala dinners and smaller businesses sponsor luncheons and other smaller networking events (Lacho, 2011). At the luncheons members bring their products, as they network they also expose their products.

Chambers work with communities, within their developmental functions; chambers collaborate in certain major events, for it is crucial for businesses to build relationships. The goal of chambers is to see economic growth. Being in constant conversations on major developments within the region as chamber is often necessary (Gryczan, 2011). The chambers of commerce recognise that the best customers are ones you already have and retaining members is a priority for a chamber.

Chambers are known to members as a place where business can find out what is current in the business arena. Information sharing with their members regarding the latest issues that affect and impact on businesses is one of the main reasons members join a chamber (Richards, 2014). There are external factors like the economy that has been tough on business for an extended period that chambers give attention to in order to assist members (Richards, 2014). Chambers find new ways in which they can assist businesses towards being efficient. Through the international and trade departments and business support chambers find ways to set up and drive new business deals. They assist members to grow their businesses to a level where they can export their products to other countries.

Businesses decide to join a voluntary system, like a chamber, for rewards like gaining access to services that will offer benefits to their organisation like representation (Bennet, 1997; Layman, 2014d).

### **3.7.2 The International Chamber of Commerce**

The International Chamber of Commerce (ICC) is based in France, and it speaks on its members behalf on issues of enterprises from all over the world. It has members globally in groups amounting to 6.5 million companies; there are chambers of commerce and business organisations in membership from more than 130 countries (Carrier, 2014). Its success is mainly in the ability to open cross-border trade and investment; global economic integration and the market economy system that influence sustainable growth, job creation and economic prosperity. International trade works as a stimulant to any country's economy, by increasing the country's gross domestic product. There is a visible growth in the global economy and the ICC find it crucial for entrepreneurs to develop an understanding of trade and finance transactions as far as imports and exports are concerned (Sakchutchawan, 2009). Without international trade, business will not achieve its potential and prosperity will be limited (Sakchutchawan, 2009). There are many benefits members gain in being part of the ICC; firstly is it a worldwide organisation, which on its own gives global standards to any member. The ICC has access to intergovernmental groups like the G20 and the United Nations. Members have influence on international networks through the ICC, and they stay connected to the most influential and dynamic organisations around the world. Members have access to first-hand information on policies, laws and regulations and developments giving them time to make correct decisions. ICC members are equipped with skills on how they can get discounts in the ICC publications, training and conferences (Carrier, 2014). ICC members come from all sectors of business - manufacturing, trade, services and professionals. With membership organisations have in the ICC, they manage to shape rules and policies that can stimulate international trade and investment. The ICC has a great influence on government and intergovernmental organisations; such decisions affect corporate finances and operations world-wide, hence organisations join the ICC (Carrier, 2014). The next chamber is an American chamber that supports its community as its base for success.

### **3.7.3 The Jefferson Chamber of Commerce in New Orleans- America**

The Jefferson Chamber, is a chamber based in New Orleans in America (Lacho, 2011). Benefits do not solely come from participation, but results from the relevance of the networking sessions or workshops in that members business. The advice to members is to choose carefully which networking sessions to participate in that will give the ultimate benefits to their business (Lacho, 2011). The Jefferson Chamber hosts more than 100 events per year; some are for members only, while others involve the community. Community participation with the chamber has brought in certain benefits by the chamber to the community in return the community seem to favour businesses that belong with the chamber. The example is that the members of the community prefer to buy from a business that has a chamber sticker (Lacho, 2011). The chamber provided assistance during the natural disasters that has took place in New Orleans and assisted the community with aid to recover; hence the community supports the chamber.

Other services offered by the Jefferson Chamber are speed dating and business to business breakfasts. At the breakfast events, there are 7 tables with 7 members on each table. Each member gets 2 minutes to introduce themselves, their business and describe what their business does. This simple activity can give business 48 sales impressions in 30 minutes. It is important to note that networking has to be repetitive in order for members to see results (Lacho, 2011). The second American chamber that forms part of this research study is in Grand Rapids.

### **3.7.4 The Grand Rapids Area Chamber of Commerce in Michigan**

The Grand rapid area chamber has 2800 members and has 27 full time and part-time employees. The employees are overseen by 24 members' board of directors. There are 29 committees that are occupied by chamber members. These committees address the issues in business in West Michigan; from regulatory affairs to health care, tax and human resources (Gryczan, 2011).

The challenge Grand Rapid Area Chamber of Commerce face is the diversity of its membership. Membership ranges from manufacturers, retailers, service providers, legal services, bankers and media etc. The diversity poses a challenge whereby a public policy is implemented and on one member it renders a positive impact while on another it may be a negative impact. Getting to a consensus becomes a challenging process, but the chamber looks for the best alternative that will bring sustainable results (Gryczan, 2011).

### **3.7.5 The Cape Chamber of Commerce and Industry**

The Cape Chamber of Commerce and Industry (CCCI) was established in 1806 and is defined as the oldest membership based chamber in Africa. The mandate of CCCI is to serve, enable and lead business. The CCCI have conducted a survey as part of their business strategy towards understanding their clients. The chamber membership segmentation which is a process of categorising membership was done in order to know who the members are and what the numbers are. Findings showed that the CCCI members are a fairly close representation of the Western Cape Province in general. Two-thirds of chamber memberships are made up of small, medium and micro enterprises. Over half of the membership has a turnover of more than 5 million per annum. Fourteen per cent of the membership has a turnover of 50 million per annum. There are start-ups being attracted to be in the CCCI, but the majority are micro enterprises that have been in operation for 10 years or more (Richards, 2014). This illustrates the relevance to large companies and sustainability of businesses that belongs with the CCCI within the Western Cape Province.

The relevance of the services offered are priority and the chamber constantly reviews its services to ensure relevance. Services are mainly aligned to international chambers of commerce, but still bear in mind the local market. Other services include seminars and workshops; networking sessions; conferences; business support services through the committees; international trade-desk; commission of oaths; certificates of origin; carnet de commerce; enterprise development fund and meeting rooms for hire (Richards, 2014).

Membership fees at CCCI are categorised and placed on the chamber website for members to know how much they are. The CCCI staff email addresses are displayed with information of their departments on the website making communication and interaction with this chamber accessible (Richards, 2014).

Another service the CCCI offers is mediation and arbitration. This is given to businesses locally and to the rest of Africa through the African Centre for Dispute Settlement (ACDS) for both members and non-members towards settling their disputes without incurring unnecessary costs. The chamber finds unresolved conflicts result in negative impacts on the chamber and this service manages to assist (Richards, 2014). Through their Pan-African policy the CCCI strive to develop leadership for members to enable them to grow their businesses and find opportunities outside the country (Richards, 2014).

### **3.7.6 The British Chamber of Commerce**

The British Chamber of Commerce management has realised that it's through meeting specified needs of members that the chamber can gain income. They focus on providing services that predominantly cause members to pay charges; for instance a cover charge for a networking session. In a voluntary system, responding to the dominant motivation of the membership and placing focus on service provision based predominantly on fees and charges goes beyond subscriptions fees says Bennet (1997). The networking sessions, workshops on a specific topic, seminars on a certain legislation explanation for a fee benefits (Singh, 2014).

The British Chamber of Commerce has realised their specific duties and recognise their crucial role for their members to find means to gain income. Businesses generally seek support for the two main instances say Bennet (1997). Other support is lobbying, where businesses share a range of general concerns which they wish to see presented to government or other agents. At the local level the issues of concern includes local government policies maybe on transport; attitudes towards business by government; land use planning and influences on the business sector in general and this is where chambers lobbying power is applied the most (Bennet, 1997). On the other hand are business services like networking that are not influenced much by local government boundaries (Bennet, 1997).

### **3.7.7 The American Indonesian Chamber of Commerce**

The American Chamber of Commerce gives companies insight on the business climate in other countries. Growing internationalisation gives birth to bi-national chambers like the American Indonesian Chamber of Commerce (AICC) (Couch, 1991). The duty of bi-national chambers within the host country is to give members guidelines on the business culture in that country. Crucial information when exporting to another country, covers licencing requirements, taxes involved, shipping routes, import and export regulations and legal structure. Bi-national chambers are responsible for organising meetings when executives visit America. The AICC also give emotional support services and counselling to families that leaves America to establish their businesses in Indonesia. The focus of AICC is on trading and investment policy; simple examples are members who inquire about women being accepted in Muslim countries in managerial positions; in order to comply with the laws and avoid offending people. There is a membership fee payable to the AICC for services and research done on members behalf (Couch, 1991). Government as a policy maker is discussed below particularly policies that affect the chambers directly.

### **3.8 Government Policies' Impact on Chambers in South Africa**

New policies and laws forced chambers to change from what they were previously to be more democratic in South Africa (Wilson, 1999). The impacts of the laws are explored as another way of investigating the dynamics of change within chambers in South Africa in this section.

Affirmative action in South Africa was incorporated as a way to redress and to ensure that previous inequalities are addressed. The groups were mainly in terms of blacks; female; people with disabilities who qualify to be in the work place, but were discriminated against. The effects of the history of South Africa are seen in many sectors including business sectors where there are struggles to maximise blacks' capacity while aligning with all the 'new' laws (Warnich, 2005). Pieces of legislature on Black Economic Empowerment (BEE) that have been approved by parliament are in an act: BEE Act No. 53 of 2003. The BEE act aims to bring the black majority in South Africa on board for economic benefit. In 2007 the Broad Based Black Economic Empowerment (B-BBEE), 'codes of good practice' began to provide a customary framework for the measurement of BEE across all sectors of the economy. The requirement is all entities operating in the South African economy make a contribution towards the objectives of B-BBEE. Chambers had to go through the BEE verification to update their score cards (White, 2013). The BEE Act supports the economic interest of black people, the voting rights that are in the hands of black people as well as black women representation in top management. The business sector had to adjust to this law in order to prosper in the new environment and continue with business. Chambers have been significant in assisting their members in having favourable score cards (Wilson, 1999).

The quest of South Africa in bringing women into the mainstream economy influenced a policy on gender equality in 2001. It is committed to emancipate women to bring a transitional change and provide a productive atmosphere in which women are free to contribute their natural talents in the work environment (Chiloane-Tsoka, 2012). Participation of women is based on their ability to build and manage their businesses within the free market system that allows for equal rights to all. In a study done in South Africa in 2001, women occupied 11.3 per cent of top management positions, and 17.7 per cent of senior management positions (Maseko, 2011). Women in business in this new dispensation have grown where women wants to be accepted and stand out as an independent entity, the



chambers are experiencing this transformation and women in business beginning to be independent and have their separate networking sessions (Pillay, 2013). There are benefits to empowering women particularly in development and the running of businesses. In a study done in Kenya, microcredit is given to women to start small businesses. Women are given a social status, economic empowerment and they are entrusted with taking care of families. Allowing women to run their own businesses is another form of development and empowerment in its own (Rambo, 2013). The rewards of being a member of an organisation are found in certain exclusivity; incentives are the main appealing factors for membership.

### **3.9 The Incentive for Chambers**

Government is the main stakeholders in chambers in South Africa (Gwala, 2004). The business community needs government to be on their side, while the government and its economy is highly dependent on business and the private sector (Mojakweni, 2012; Layman, 2014d). The theory on collective action by Olson (1971) explains how organizations work together to provide incentives for members of the collective organization.

#### **3.9.1 Selective Incentive and Logic of Collective Action**

Olson's theory on collective good touches various aspects of staying in membership of an organization. He argues that large-scale organizations working towards the acquisition of resources will benefit the entire population, but will not sustain membership (Cell, 2001). The incentive to belong is weakened by the potential of the whole population including the non-members benefiting from the organization's successes. However if the organization offers selective incentives, whether they are social in a form of sanctions or are state driven as subsidies, membership will grow and be sustained (Traxler, 2010).

Trade Unions in Europe, manage to retain members by using unemployment insurance as a selective incentive. This takes place in 6 countries: Germany, Norway, the United Kingdom, Finland, Denmark and Sweden. Denmark and Sweden continued while the other 4 countries stopped this system which resulted in a great decline in membership. Unemployed Union members get to have this voluntary unemployment cover. Using selective incentives, trade unions were able to deal with the two challenges which were retaining members and 'free riders' (Clasen, 2012). Free riders like benefiting without paying for services.

Olson illustrates that business create and join local organisations to deliver collective goods that offer benefits to members (Kyriacou, 2010). The basis of their collectiveness covers a geographical area in which members decide on the package of services they wish to collectively provide at a given cost and this is called, 'logic of collective action' (Bennet, 1997). The quest to satisfy member's behaviour, chamber managers however realise that few businesses are willing to pay for services or goods that are consumed at no cost. Therefore the voluntary organisations like chambers shift their focus towards offering unique services to local businesses. An analysis of chamber services is that local business representation is a unique service. The implication of this is that the high degree of connectedness of the other chamber services to businesses represented, stimulates and maintains the voluntary chamber system (Bennet, 1997). Bennet (1997) further states the relationship between the service structures of chambers and the geographical boundaries varies by the type of service offered. The other dynamic to consider is the representation function that in some instances works on its member's behalf or generally with government. Traxler (2010) takes the selective incentive argument further and expands it to political entrepreneurship.

### **3.9.2 The Integration of Small and Large Business Incentives**

The cornerstone of inclusive organisational associability is found in the unique combination of selective incentive and political entrepreneurship says Traxler (2010). The essence of these inclusive organisations is in the trade-offs taking place between the small and the large companies. Looking at the large companies, they triumph in interest presentation by inclusive associations. On the other hand, small companies are compensated by relatively low costs on various services they greatly need more than large companies. Large companies have a vital interest in associational action, not only that, but also in mixing with their smaller counterparts (Traxler, 2010).

Some of the countries in Europe use state-based support for multi-employer bargaining as protection to business associations. When associations are equipped with the strong command on the labour market, their support stimulates government to involve them in public policy. Because labour market rules and regulations allow the association to impose negative externalities or sanctions on the un-affiliated business, it gives them strong selective incentives for membership. Business associations in Western Europe are not affected by forces of socio-economic change. If this can be sustained for a period of time, it will be an

explanation to an astoundingly contrasting development of union strength and corporatist policy making (Traxler, 2010).

The challenge of free-riders can be overcome by selective incentives and sanctions for non-members; however it is still challenging to do away with the free riders. In providing finance to an organisation towards the collective good a group tries to do away with the free riders problem and induce a recruit of members to such group to create a support for the association (Kilbane, 1990; Kyriacou, 2010). Some people assume that individual efforts have little or no effect on outcomes. Another factor is the price of consolidating a group increase. When a group is smaller it is less costly to organise (Kilbane, 1990). When a group is smaller there is a lot of interaction and members can create social pressures discouraging free riding. Large groups are disadvantaged as they have absent membership and many of their members associate without paying cover fees. Traxler (2010) mentions that when there is no selective incentive members are presumed to be gathering voluntarily in the association and if they are a small number their collective action is heterogeneous.

Interest heterogeneity means that individual members or a few of the members are highly interested in collective action. Relating to that it means that this small group is willing to bear a disproportionately higher share of costs such that free riding by others is not a major issue. This occurs mainly with large firms that benefit the most within collective action. The heterogeneity of the groups becomes an advantage to large companies as they become prime movers of collective action. Superior resources enable them to tolerate the excessive share in the cost of the association and this makes them sponsors to smaller companies (Traxler, 2010). The effects of this on an association is that large companies can employ their power on the goals and structures of the organisation in a way that all activities within the association get to suit their specific needs (Traxler, 2010).

Smaller companies gain benefits of being associated with an inclusive organisation or association by being sponsored. The advantages of integrating smaller companies with large companies are mainly on the large companies' side, as it extends the political legitimacy and representativeness of their association. Large companies as sponsors have a dominant interest particularly when it comes to the association's politics particularly when their interests conflict with those of the smaller companies. Large companies are likely to exploit the demands of smaller companies if it happens that the interests of both groups are diverse. For

instance in matters like compliance to regulations such as tax rules and regulations which usually gets to be higher for smaller companies (Traxler, 2010).

Selective incentives offered by the association are not only in a form of services, it may be by the state provision as well. Taking corporatist theory which illustrates that corporatism is defined by specific relations between the state and an associations' interest. The state often equips some associations with various privileges in the form of resources. This can be the provision of subsidies that has to do with public status or organisational privileges where membership is compulsory; the association acts further and participates when it comes to public policy. The privileges that are organisational most times strengthen the associability, while others create an opportunity to recruit members (Traxler, 2010).

### **3.10 Concluding Remarks**

Membership based organisations are described in many forms as they are presented in this chapter; unions; political parties; professional organisations and chambers. Membership based organisation have the mission to serve their members and retain them (Bennet, 1997; Hayes, 2001). The external and internal factors that affect MBOs are also discussed (Chen, 2006). Membership acquisition; retention and the different methods of retention; reasons for membership decline are also dealt with in this chapter (Chen, 2006; Khomo; 2009; Zuckerman, 2003).

Systems thinking techniques have an ability to look at an organisation in a holistic manner (Skarzauskiene, 2009; Olson, 2005).

Sustainability of chambers as NGOs is discussed and the focus was on the management's role towards sustainability and financial sustainability (Engelen, 2005; Conradie, 1999).

Change management whether it's a major or a minor change has to be managed correctly or may give unpleasant results (Green, 2012). Change management was briefly discussed together with complexity of change and what makes change complex within MBOs (Huxham, 2000).

Chamber membership challenges and different chambers in America, Britain and South Africa are discussed in this chapter. The challenges of the chambers' services and how they

retain their membership was the main focus (Lacho, 2011; Richard, 2014).The International chamber of commerce (ICC) was also considered.

Membership is discussed and the challenges of identifying who a member because of complexity, ambiguity and the dynamics is of explain membership of an association (Huxham, 2000).

Government role by means of policies that impact on businesses was also discussed; the economic changes that affect business hence chamber membership formed part of this chapter.

Selective incentives that organisations apply towards dealing with free riders and recruiting members into the association formed the conclusion of the chapter (Cell, 2001).

The next chapter is research methodology, where the process of collecting data and how data was analysed for this study is fully explored.

# Chapter 4 Methodology

---

## 4.1 Introduction

This chapter describes the research methodology that was applied in the study, which includes data collection and data analysis (Maseko, 2011). It covers how the research was conducted and gives reasons why the methodology used was chosen.

Qualitative research is the method used in this research because of the advantages of the method; one of them being its ability to come up with practical solutions and its ability to assist in a better understanding of the meaning individuals attribute to a social human problem (Creswell, 2009). The study explored changes taking place in the membership of the Durban Chamber of Commerce and Industry and the dynamics behind that change. The dynamics within the chamber were external and internal; this included management dynamics; dynamics of partnerships the chamber has with other stakeholders; dynamics in membership and operational staff dynamics.

## 4.2 Research Design: Qualitative and Quantitative Methods

Qualitative research became relevant for this study as a method that yields data that provides in-depth views and facets to create understanding of phenomena and living experiences (Bowen, 2005). Qualitative research enabled the researcher to gain an insight to people's views on changes that have been occurring within the DCCI. A qualitative research method enabled the participant's data to be collected using their natural setting, which motivated their subjectivity about the changes. Qualitative research is 'chaotic', in many instances it does not go according to plan, the researcher is required to adapt the research as it is evolving (Irvine, 2006). Qualitative methods are meant to explore, gain an understanding and meanings from the individuals and groups about a social problem (Creswell, 2009).

The ability qualitative research has on using stories to turn them into meaningful data made a qualitative method the preferred method. Stories told to describe events that occurred within the DCCI became a crucial part of the data to be interpreted into findings. This is not a quantitative research since there were no variables that had to be compared; there will not be any instruments used for statistical data calculations (Creswell, 2009). Qualitative

research addresses behaviours and interactions of research subjects; respondents are stimulated to tell their own stories and reflect on their daily experiences (Symon, 2006).

Distinguished from quantitative research, with its reliance on the power of numbers, the aim of qualitative research is a search for meaning and importance. Qualitative researchers often do not know the system they will anchor their insights on prior to collecting the data. Where they land may be very different from where they started (Bansal, 2012). The researcher gained a comprehensive understanding on the DCCI membership phenomena and explored the different elements that make up the membership. Quantitative and qualitative research has distinct and complementary strengths hence it is wrong to favour one over the other. Qualitative is characterised by the in-depth take on issues, open-ended interviews, direct observation and written documents. Qualitative techniques commonly provide ‘powerful tools’ that management and organisations can use as a method of research particularly where people’s personal feelings and in-depth concerns are concerned (Symon, 2006).

### **4.3 Phenomenology**

Phenomenology bases its foundation on understanding prevailing social standards within a certain community or organisation (Gray, 2004). Phenomenology holds the effort to comprehend a social reality as it originates in people’s experiences of that social reality. Therefore, phenomenology maintains that the prevailing understanding of phenomena must be laid aside and an attempt to revisit the most recent experiences of the people must be allowed for new meanings to emerge. It is vital to keep current understandings in ‘brackets’ as best as the situation can allow in order to allow a phenomena to show up. Phenomenology is a theoretical perspective that uses unstructured methods of data collection (Gray, 2004; Creswell, 2009). The results of a phenomenological research are expected to give new meaning, fuller meaning or renewed meaning (Gray, 2004).

#### **4.3.1 Phenomenological Research**

Phenomenological research is a qualitative approach whereby the researcher recognises the essence of human experiences about a phenomenon as described by participants in a study (Creswell, 2009; Kumar, 2012). In the research process, the researcher has to set aside his or her own experiences in order to understand those of the participants in the study (Nieswiadomy, 1993). The researcher went to the chamber with not much knowledge on

what is happening internally regarding the membership and that alone limited the expectations and bias. The researcher further searched for more understanding on the membership and made it a learning process, battling with many opinions from staff, management and members. The researcher continued searching, observing the difference between emotions and information on the topic. Remaining neutral and not taking sides on who is wrong and who is correct was important for the researcher who just listened to the participants experiences and collected their range of views.

With an ability to assist in investigating people's behaviour and experiences, phenomenological research is a scientific method that reveals the conscious intentions and meanings in people's lives (Wertz, 2005). The phenomenological method encourages large amounts of data to be collected, as this assists in identifying and picking up on factors that were not originally a research focus. The other important factor about the phenomenological research method is its capability to produce 'thick descriptions' of people's experiences or perspectives within their natural settings (Gray, 2004).

There are disadvantages of using phenomenological research. It's generally hard to replicate a phenomenological study. Phenomenological research places its emphasis on seeking participants' opinions, their subjective accounts and their interpretation (Gray, 2004). Husserlian (1970) founded phenomenology as a scientific method with a belief that the meanings of experiences will only be untied through a one to one contact by the researcher and the researched object. The transaction as it occurs involves observing, interactions and attentive listening (Kumar, 2012). The next section will explore how the process of data collection was done.

#### **4.4 Data Collection**

The chamber of commerce is a real world setting and doing research in an organisation has its challenges that researchers generally experience during the process of observation and data collection. Examples of such challenges include staff members being too busy to participate and the constant changes that take place within the organisation; this was consistent with what Gray said (2004). The data collection process began with visits to the chamber with an intention to observe; the observation took place in management meetings; different standing committees meeting; workshops as well as interactions with all staff members. Notes were taken on what has been observed, including people's interactions, actions and



communication. Accessing the information regarding the topic from chamber staff members formed a major part of data.

Data collection in qualitative research involves collecting views from participants, about participants (Creswell, 2009). A different interview schedule had to be used for members and staff members; this can be found in appendix 1 and 2 as some questions for members were not suitable for staff members. During an interview with members, a particular opening question was used by the researcher asking them what their company does. This question made members very excited and they would lighten up and passionately explain what their company does. Beginning an interview with an opening question made members realise the interest in their business by the researcher. The researcher used the question 'why did you choose to be part of the DCCI?' without seeking clarity on more details about the company.

With 15 interviews conducted, the majority of which took place at the DCCI premises; particularly with the staff and some members who found the chamber premises central and convenient. The other five participants were at their offices and this involved travelling, which was not easy because the offices were outside the Durban city centre. The researcher asked for contacts of members and the DCCI staff provided about 2800 members on its database; about 700 ex members and some attendance lists of events to select who to interview. About 200 emails were sent by the researcher and only one member responded with an apology for not being available to participate. The researcher then went back to staff members to find out who was likely to have an interest in the study and be willing to participate. This was one way towards getting hold of members; another way was to corner members immediately after a workshop or a networking session to ask them to participate. Then the members would agree and hand business cards over; however some would still not respond to the email for an interview appointment. Making follow up phone calls and explaining further the purpose of the research and re-confirming the appointment worked best for this research. One of the most useful ways in getting hold of some participants particularly the executive leadership of the chamber was having emails forwarded by chamber staff.

When an appointment had been confirmed the researcher went with consent forms, appendix 3 and 4, and the research consent forms for the participants to sign. Once the participants signed the consent forms and all the ethical rules of the interview were explained to the participant, then the interview began. All the participants were willing to be recorded and

understood that the recording was for the purpose of transcribing and as a reminder of the interview. Many participants asked that the researcher should be careful in quoting as they could say some things that may put them in trouble if known. This gave the researcher confidence the information was authentic and that the researcher may have the findings that will answer the research questions. When the researcher reassured the participants they would be anonymous then they continued with the interview.

The interviews were meant to last for an hour however some went for less than an hour while others took more than an hour. The recordings were saved to be transcribed later into useful data. Transcripts and other data will be analysed and form chapter 5 which is findings chapter.

Multiple methods of data collection were used in this research, including interviews, observation of participants and secondary data. This triangulation assisted in validating the data collected (Gray, 2004). The use of multiple methods is another way of dealing with limitations. Using more than interviews as a single means of data gathering, enables to avoid relying solely on interviews, thus evading some of the problems associated with the subjective perceptions common to interview-based methods (Bowen, 2005). Qualitative researchers rely on multiple sources of data (Creswell, 2009).

#### **4.4.1 Interviews**

Of the 15 interviews conducted, among them were four staff members of the DCCI who are directly involved with membership - they were grouped in one interview; the seven current members of the DCCI from small and large companies; new members and older membership holders became participants. Four managers and one council member were interviewed individually. Two members who had resigned from the chamber membership were also interviewed. The purpose of interviewing ex-members was to identify reasons why they left their membership with the DCCI. The interview question guide is provided in Appendix 1 and 2. Staff members had slightly different set of questions in their interview; however the researcher ensured they meet the research objective. The only difference was that with the ex-members were asked about past events and a few questions on why they left membership were added to the interview. Staff members schedule is also provided in Appendix 2.

The interviews were conducted between the 20<sup>th</sup> June 2014 and the 25<sup>th</sup> July 2014. The interviews were semi structured. There are three types of interviews and these are structured

interviews, un-structured and semi-structured interviews. The semi-structured interview involves the use of predetermined questions; where the researcher is free to seek clarification when there was a need (Doody, 2013). The interview guide was used during all interviews as a way of directing the researcher towards gathering similar data throughout from all the participants with probing when needed. Using a semi- structured interview helped the researcher make the interview flexible, with open-ended questions and the chance to explore issues that arose spontaneously. This can be used to encourage elaboration or explanation (Holloway and Wheeler 2010). Furthermore, it serves as a possibility for the researcher to clarify a participant's response to a question using a focused follow up question (Valsamakis, 2012). Semi-structured interviews are used when the interviewer has a list of issues and questions to be covered, but may not deal with all of them in each interview. The direction of questions changed depending on what trend the interview is taking (Gray, 2004). The interview records were transcribed and became part of the final data to be analysed.

#### **4.4.2 Secondary data**

Secondary data in the form of annual reports since 1999 and some emails, a database of both ex-members and current members and an events schedule also formed part of this study. Another source of secondary data were articles published in business magazines and newspapers. The annual reviews were the major part of the secondary data. The DCCI annual reports covered 10 years; these were 1999, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2012 and 2014, the main focus regarding the annual review was to look at the trends of change that took place throughout the years within the membership. The dynamics of change and analysis of change looking at the time and the events during the same period also was what the annual reviews revealed or identified.

Other raw data that was handed to the researcher by the chamber staff was the database of the members, and a list of new members and ex-members. Other important information made available was the events schedule for the year. This information assisted not only in making contact with participants, but to further analyse and make findings on some aspects that make up the findings chapter. For instance the database has not been updated for fourteen years and that formed a large part of discussions while collecting data. Ex-members follow ups were another aspect to discuss with some of the DCCI employees. Reports, newspapers, personal journals and the minutes from forum meetings on the topic were used to complete the data collection process and to substantiate the information gained from interviews and

observations. This assisted in gaining sufficient information on the development of the change process in the DCCI.

#### **4.4.3 Observation**

Observations included attending forum meetings, leadership meetings, some workshops as well as just being part of the DCCI daily activities sitting in the office that was offered while doing the study. The researcher had a journal where notes were taken during meetings, while observing staff members interact and when the researcher would reflect on the day's events. Observation is where a researcher takes field notes on behaviour and activities of people at the research site. Through observing, the researcher does not simply look and write; the researcher had to analyse what was being observed and had to take notice happenings that occurred on a regular basis. Observing includes how the researcher senses the whole environment, making observation very complex (Creswell, 2009). During observation the researcher gained more understanding of the environment that might not have been explained in words by the participants during interviews (Irvine, 2006).

The observation was overt. Overt observation means that the participants were made aware that they were being observed (Gray, 2004). Observation assisted the researcher to adjust and learn quickly through conversations and interactions with the chamber members on what the DCCI is and how it functions. Observation allows a researcher to have first-hand experience with the participants (Creswell, 2009).

#### **4.4.4 Sampling**

Sampling was purposive as the researcher selected participants who are knowledgeable about membership dynamics and who could provide insight into why and how membership has been changing. Where there is in-depth investigation, purposive sampling becomes relevant as a method of picking participants (Gray, 2004). Purposive sampling is where the researcher picks participants to get to what is believed to be a representative sample (Creswell, 2009). Because the emphasis is on quality of information rather than quantity, the objective was not to maximize numbers for this research, but to become 'saturated' with information on the topic (Bowen, 2005).

A representative sample was sought which was challenging since it required access to all the staff members and chamber members, which is not always possible, Gray (2004) also indicated this as a challenge. Obtaining an adequate sample is a fundamental component

towards creating a credible research (Marshall, 2013). Qualitative researchers have come to an agreement that interviews are a powerful tool when trying to understand people (Ai-Yateem, 2012).

#### **4.5 The Role of the Researcher**

The researcher is a key instrument in qualitative research when collecting data. The researcher is fully involved in the process; they have to observe the behaviour of participants; examine the documents; archives and previous studies done on the subject and they also interview the participants. The researchers have to make interpretative inquiries whereby they make comments on what they observe, hear, see and what they understand (Irvine, 2006). Their interpretation is embedded in their personal backgrounds, history, contexts, and prior understanding (Creswell, 2009).

The challenge the researcher has in qualitative research is in the influence they have over the results (Bowen, 2005). During the few days of just going to observe at the DCCI office premises, the preconceived ideas of the researcher of what how the chamber functions was challenged. The expectations were not met and the researcher began to be disappointed in the role of observing. The main challenge was to not judge and to not jump to conclusions. Another challenge was to balance and be observant without being interruptive. Hence most conversations were done when staff members initiated or were available. The challenge with a semi-structured interview was to strike a balance between influencing participants and probing. This was ensured throughout the data collection process.

#### **4.6 Data Analysis**

Data analysis is a process that involves making sense of all data collected. Data had to be prepared for analysis, but the researcher had to gain an understanding of the data. The steps of analysing qualitative research data was followed as referred to by Creswell (2009), the preparation and organising of all the data collected occurred before the analysis. The preparation involved reading all the transcripts; the notes from the observation, all the annual reviews and other secondary data provided; comparing and contrasting the meanings in the data. Interpretation of data involved asking about the lessons learnt from the data with the objectives of the research in mind. The process was continuous and involved going back and forth to get to solid aspects within the data. A holistic understanding was gained by the researcher by carefully reading all documents, and noted any comments that stood out

(Gerwel, 2009). The consistency of the information given in the interview in comparison to the records and other general statements were identified by the researcher and were reflected throughout the data. The dominating statements were written down by the researcher, the supporting statements were also recorded. All the related statements were then placed under one major topic which formed a theme and another statement became the subtheme. The researcher had to generate the interpretation of the larger meaning of data (Creswell, 2009). Creswell (2009) mentions that with phenomenological research the researcher makes analysis of the significant statements being made by the participants. From the statements the researcher develops meanings and out of the meanings comes core descriptions or what are known as core themes.

Thematic analysis being the method used in this research revealed patterns gathered within data. Thematic data analysis is a method of organizing and scrutinizing patterns gathered within data. It allows flexibility and seeks to launch themes presented in research during data collection (Maseko, 2011).

Inductive analysis of data is used for this research, meaning that the themes, patterns of analysis are taken from the data recovered, they were not imposed prior to data collection or analysis (Bowen, 2005). Towards the interpretation of the data, the literature was reflected to further explain the findings of the previous studies on similar topics instead of the researcher's own culture and experiences (Creswell, 2009). The usage of qualitative research can pose challenges and limitation, and such challenges have to be observed and addressed, the following section explains how the limitations were addressed.

#### **4.7 Limitations of Qualitative Research**

The use of interviews as a method of collecting data has limitations that may impact on findings. The researcher without realising it may influence the response of participants (Ai-Yateem, 2012). The knowledge by a participant that they are being recorded can limit the freedom of expressing some other issues that might form a relevant case for the research (Doody, 2013). Using the interview schedule questions and allowing the participants a lengthy time to respond before a probe, was a way in which the researcher tried to deal with the researcher's influence challenge. An assurance was given to the participants of anonymity and confidentiality of the transcripts, which made them understand why recording was done.

There was an interview consent form provided in appendix 4 that participants signed for the recording of the interviews. The researcher being aware of this effect consciously conducted the interviews avoiding the error of influence.

Qualitative research is more time consuming and mentally challenging say many scholars. There is a need for qualitative researchers to identify ways of most efficiently accomplishing their research objectives (Marshall, 2013). Data collection was time consuming because of the processes such as transcribing interviews. About three of the transcripts in this research were in isiZulu and had to be translated into English while other transcripts were in English. During the period of transcribing there was a challenge in hearing the voices on the recordings particularly for the interviews conducted at the DCCI premises as there were renovations taking place and the recorder captured the noises. The researcher would go back and forth to hear what the participant was saying; a time consuming and a stressful process.

There were a number of challenges during data collection and the first and main one was members not responding to the emails the researcher sent. The other emails sent failed to be delivered to the address provided on the database. Members who ended up being participants were the ones the researcher met during the meetings and would set an appointment. Some participants decided they would explain what they knew and not follow ‘challenging questioning’ as they called it; however a phenomenological research encompasses this challenge and with the usage of some probing questions the interview was able to be re-directed towards the prepared questions in the schedule.

In qualitative research having an in-depth interview is considered one of the most reliable ways of finding out people’s subjectivity (Irvine, 2006). Conducting face to face interviews have their limitations since it is not always guaranteed that when a participant answers a question they are giving their most authentic response (Bowen, 2005). The drive behind this research was to make findings that allow for innovation and creative thinking, authenticity of answers was essential. Measures were taken towards avoiding the interviewer’s error of influencing the answers. The researcher asked the question as they were written on the interview schedule and tried to seek clarification only when there was a need. The researcher also allowed the participants to speak and express their subjective opinion on the matter without interrupting them.

More challenges with interviews included the participant's developing a desire to please the researcher and assuming the expected response. Participants have a tendency of saying what

they think the researcher wishes to hear, such as giving an official point of view rather than their personal view (Creswell, 2009). This challenge was hard to deal with however the researcher clarified the purpose of the research that it is academic with the hope participants would be open up and speak openly.

A researcher has to be aware not to place pressure on participants to a level whereby a participant says something rather than nothing. If a participant could not answer a question nor had nothing to say on a topic they had freedom to leave and the researcher was willing to find a new participant that might be interested in the topic at hand. The researcher's views can influence the participant's responses if they express surprise or disapproval (Doody, 2013). The researcher needs to distance their personal feelings and opinion from what has been said during data collection. The researcher also has to avoid jumping to conclusions regarding the participants' subjective opinion, but try to be in their shoes. The researcher had a relaxed attitude that was neutral in order to let participants do the same. The above techniques were applied during data collection towards minimising the limitation of this research study.

The researcher's visits to the DCCI during observations prior to conducting interviews with individuals had an element of building rapport and trust with participants. This is a technique that is used by qualitative researchers in order to give participants scope to express themselves (Gray, 2004).

#### **4.8 Ethical Clearance**

Researchers have an obligation to protect participants; they therefore pursue developing trust with such participants to guard against any errors and promote a certain level of integrity in the research study (Creswell, 2009). The previous issues are the sole purpose for the ethical process that every research study has to go through. The basic ethical rules applied the names of participant were not used to write this report therefore anyone who participated could speak freely as they remained anonymous. Every participant had to sign an informed consent form before participating in the interview; this acknowledges the participants rights were protected during the collection of data (Creswell, 2009).

The ethical clearance was obtained from the ethical committee at the University of KwaZulu-Natal before going to do the field work as required by the University, the ethical clearance is provided in Appendix 5.



#### **4.9 Validity and Reliability**

Qualitative validity is not the same as validity in quantitative research where the focus is on the stability or consistency of the responses (Creswell, 2009). Qualitative validity mainly focuses on the processes from the beginning of data collection that the researcher does towards making the findings reasonable. Qualitative reliability is about the consistency in the approach throughout the period of the research process (Creswell, 2009). The reliability of using interviews is debatable especially when it comes to qualitative research. Triangulation as the use of multiple methods can reduce the sources of error and improve the reliability in the findings (Gray, 2004).

#### **4.10 Concluding Remarks.**

The chapter described the research methodology that was used in this study. The method used is the qualitative method and it is inductive phenomenological research.

Data collection process details were described in this chapter, together with how the data was analysed.

The challenges incurred during the data collection were specified to give a picture on the realities of conducting a qualitative research study.

The next chapter is the report of the findings in their thematic form as mentioned in this chapter.

# Chapter 5 Findings

---

## 5.1 Introduction

This chapter presents the findings that emerged from this research study. It is important to mention that some participants were not familiar with the facts when it comes to membership numbers as they have just recently been employed or had just been members of the chamber. There were few participants within the membership team that had been around for a longer time who were able to respond fully to the dynamics and patterns of change in why membership numbers declined through the years.

There are eight themes identified that reports the finding of this study in this chapter; the first theme is the causes of decline in the membership of the DCCI; continuous decline; management dynamics; membership dynamics; the benefits of being a member; the DCCI service improvement possibilities; opportunities for membership increase and the major changes in the DCCI. There are subthemes to explain the themes further and all are reported below.

## 5.2 Causes of Decline in Membership of the DCCI

The changes that have taken place within the DCCI came with many social impacts, political impacts and the change in the environment as far as business in Durban is concerned. The dynamics of the changes in membership of the DCCI varies, ranging from services that support membership of the DCCI, there has been a question of relevance of the DCCI to the current needs of the members, are members getting enough benefit for their chamber membership. The cost of subscriptions is a contributing factor as many SMMEs find the chamber has high charges whereas for large companies that are members in the chamber money has never been a challenge. The issue of time in terms of SMMEs' choice to attend a chamber's event or do business is always a challenge. There were several participants from members who have resigned from the DCCI giving the reasons that contributed to them leaving their chamber membership. These with other participants' responses are reported in this particular theme.

### 5.2.1 Declining Interest in Club Membership

Business owners are not willing to pay the subscriptions for a voluntary membership organisation like the chamber. ‘Members’ enjoy the benefits of the membership and don’t renew by paying their subscription fees.

*“.....A lot of people say they are members of AHI, NAFCOC or SACCI however those individuals are just saying that, they are actually not members because they do not pay subscriptions.....” P6*

The general dynamic that has occurred recently is that individuals no longer have interest in joining clubs like they did before. Looking at country clubs membership, tennis clubs, and soccer clubs etc. mostly shows a decline in subscription.

*“.....the study that has been done shows that there has been a general decline in the membership based organisations.....” P15*

### **5.2.2 South African History**

History of South Africa had an impact on the chambers including the DCCI. The new laws that were introduced by the post-apartheid government changed the chamber membership tremendously.

*“.....within the DCCI council membership there are black people who have been placed in the chamber council because the elections process couldn’t be relied upon, as many businesses were dominantly owned by the whites.....” P6*

*“.....there were changes that came with the ‘new’ South Africa.....” P15*

The chamber in the past had been white dominated and this was because businesses owners were mainly white people, specifically large companies. Many white business owners opposed BEE initiatives during initial stages, while the chambers worked towards adapting to the new laws.

*“.....the business realised that they cannot eliminate themselves from the government..... they had to support BEE because it’s right and because it is the economic saviour of the Country, South Africa.....” P6*

### **5.2.3 The National Medical Plan**

In the past, business owners had to join the chamber in order to access medical aid in the private sector, and that was an advantage for the chambers as members would join to have medical aid. When the laws changed post 1994, medical aid plans were open to every individual who could manage to pay and business owners began to see no need to pay a subscription and be a chamber member to have access to medical aid. The DCCI had the National Medical Plan (NMP) that was a medical aid in KwaZulu-Natal and the chambers were facilitators because plans were joined in groups not by individuals.

*“Private sectors medical aid was NMP. NMP would not want to have small groups they wanted people to join in large groups so that they get benefits out of it. For small companies they grouped together and the chamber used to facilitate with the NMP.....” P7*

#### **5.2.4 Transformation Resistance**

Members of the chamber a few years after the new government could not deal with the change in government and all the new policies of redress. They wanted the chamber to fight on their behalf by opposing the new government. Most members left their chamber membership when they realised that they were forced to adhere to the government policies and align with them. Transformation from the apartheid regime to the government that desired to redress the inequalities was difficult and many members began to lose hope in the leadership of the chamber when they attempted to build relationship with the new government.

*“.....a lot of criticism came to the chamber the minute a chamber decided to stop being enemy with the government and began to forge a relationship.....” P2*

*“.....we had to realise that we could not achieve much by always criticizing the government, we had to change our attitudes.....” P6*

Others lost hope totally when the government introduced initiatives like Black Economic Empowerment (BEE). The white owned businesses had to have a certain number of black employees, they had to contribute into the redress and some of the business owners did not agree with this concept. When the chamber agreed with BEE and began workshops to teach the members how to comply with BEE and all the rules, some members felt like that the chamber had failed them.

*“.....at the first meeting when BEE was discussed, it was the worst meeting ever, with more teaching and educative workshops people began to adapt and it was taken more positively.....” P6*

### **5.2.5 Lack of Suitability for SMMEs**

The membership of the DCCI being occupied 80% by SMMEs the chamber is to serve these members because they have paid the subscriptions. The chamber however lacks services for SMMEs; this has not stopped the chamber from taking money from the SMMEs. This gives the SMMEs and some staff members a perception that the chamber is after making more money without looking into the needs of its majority members.

*“.....its bad to go out there and ask people to subscribe for something you know they won't gain any benefit .....it is actually very demotivating to do this job.....” P4*

*“.....The emails I get are embarrassing whereby members say they are not getting services that they were promised. That people within the chamber have no skills and are not of assistance to the members and people then decide to just quit.....” P3*

*“.....unfortunately it is true, people are not getting the services..... All the DCCI want is money from people, that's all. Budgets constraints is always an issues and the fees....they are sky high.....” P2*

The DCCI announced in 2014 that they were no longer able to work with start-ups and they were implementing segmentation. The principle of segmentation is where the chamber places focus on the growing companies that are members and not the start-ups. This claim has been nothing but a theory on paper and failing to be practical as the chamber is still receiving start-up members in 2014. There are no services for start-ups and the chamber has been referring start-up businesses to organisations like the Small Enterprise Development Agency (SEDA).

*“.....in theory it's like that, we are not working with start-ups but any business no matter where it's based, if its functioning it becomes a member of the DCCI.....” P3*

### **5.2.6 Poor Membership Benefits**

The question entrepreneurs often ask is, are there benefits to be gained by being a member of the chamber. The chamber has been left with no clear identity on what its role has become.

When large companies withdraw their membership, it's mainly because the question of benefits is unable to be answered.

*“.....lately it has been really difficult to know what the chambers do and what makes them special.....” P11*

### **5.2.7 Insufficient Support Staff**

Previously the chamber used to hire people without looking at their qualifications and so until now the DCCI staff lacks knowledge and skills on how to provide certain services to members. Currently there has been change where professional staff is required to have a qualification for the job they do; however skilled workers often come with a higher cost.

*“.....in the past the chamber did not hire professionals, we realise now that it becomes a problem if a person is not qualified in the field they are working in. We began to get the chamber skilled workers although they come with a price.....” P6*

The issue of capacity in providing services by the DCCI is a challenge. Long staff absences due to maternity leave and others resigning has caused gaps in the DCCI staff. Part of the staff left permanently about 3 staff members and 2 were on long leave since April 2014, and in June 2014 there was no replacement and staff members find those duties that were previously done by their colleagues done by them. Management without communicating assumed that when there was space in capacity other staff would jump at the opportunity to serve members however this has not been the case. In contrary there has been lack of capacity and demotivation that is noticeable among some staff members.

*“.....the staff has left and no one is filling up those gaps of staff members that have left. This is the greatest consent that staff is not getting replaced and who gives members the services.....” P 2*

*“Externally the chamber as the brand is well known and has that magnetic ability to attract the members. The main concern is the internal staff when it comes to offering the members the relevant and sufficient service to assist them in their businesses.....” P4*

Budget constraints for the DCCI have caused the chamber to access money from SMMEs causing the SMMEs great loss because they do not benefit from the DCCI services since there are no start-up services. Having one SMME member signed is an achievement because its R2300.00 subscription into the DCCI, for a struggling small business having sacrificed

such a large amount, and not gaining any money for such an investment reflects a loss in the business and failure for the chamber.

*“.....there is no one in the chamber to assist members on start-up services.....” P2*

Lack of capacity causes staff members who had allocated duties to have more on their plate than they can manage to maintain. Taking an example of membership staff that previously had one portfolio of being area managers. Then an additional job subscription is added, and they become responsible for recruiting members, retaining the members, and coordinating area meetings. This was new particularly the recruiting part of the job.

*“.....many staff members left, no one is put in their place to fill up the gap. This is a great consent that staff is not getting replaced so who is giving members the services.....” P2*

### **5.2.8 Low Motivation by Staff**

Staff members that work for an organisation like a chamber have to be marked with certain qualities. They have to be aware of what is taking place in the business arena, meaning that they have to have an interest and knowledge of business as they work for business. They have to be pro-active and be solution orientated, be willing to find out more by doing research. They have to be willing to give more than wanting to take. They should be leaders in everything they do.

*“The chamber can be sustained by hiring skilled employees, people who are thought leaders, who have willingness to give more than what they take.....” P15*

Staff members are aware they are not doing a good job for members and some realise that they have to improve. One simple example is responding promptly to an email for members. With all the staff members the researcher spoke to, each mentioned that there is a need for internal improvement by the staff. The staff members realises the responsibility at hand. They recognise that the expectations of the public from the DCCI are high.

*“.....to makes the chamber relevant we should be chasing the game, and it doesn't seem like everyone is aware of this, some people are doing their work well but not everyone.....” P5*

Members also mention that leadership of the chamber should not cover up for staff members that are not performing, but deal with them accordingly.

*“..... let the chamber staff know that work for the chamber and members, not the other way round, so they should deliver..... Management should not cover for the staff members but push them towards serving members and giving good services.....” P9*

#### **5.2.9 Empty Promises**

The chamber places itself in a compromising position by not making it clear beforehand whom they serve and whom they cannot serve. This is one reason there is a lot of traffic in subscribers and those who leave their chamber membership.

*“ .....all the DCCI wants is money from people that’s all, there are services on paper but no one is taking responsibility to fulfil the promises.....” P2*

#### **5.2.10 Cost of Membership**

Another aspect is the fees of the chamber are very high especially for smaller companies. There are companies that gain benefits from the chamber who clearly see a worth for their payment however if the company has not gained any business, the prices are really expensive.

*“I have a problem with their prices, they are high, R 2300.00 is a lot of money to pay as a small business plus the sessions are real expensive, I spent almost R 3000.00 this year alone at the DCCI, it’s expensive.....” P5*

#### **5.2.11 Opportunity Cost**

The opportunity cost, when it comes to attending events like a coffee connection that takes three hours or choosing to be in the office in case there is a business deal to attend to is what most SMMEs have to look out for all the time. This causes members to not be able to attend events and hence not gain the benefits of being chamber members.

*“.....the issue of opportunity cost is a big one for small business, making a choice to whether go to a networking session or stay in the office in case there is an opportunity for business.....” P1*

#### **5.2.12 Increasing Amount of Competition**

The chamber of commerce has been known for information sharing for business and a place where business communities from the same region could share ideas and present them to



government. The information part of the chamber is readily available on the internet, making the chambers distribution of information not a priority as it was before modern technology.

*“..... there has to be a good reason why I should pay money to be part of the chamber, because there is Google that has all the answers, why should I be part of the chamber, it's the questions we have to answer.....” P2*

The chambers indeed fight a competition now more than ever. The competition between chambers has also increased as there are many chambers everywhere. The internet and social media are where people network easily. These entities are accessible and are mostly cheaper than subscribing to chamber membership. The chamber notices that the competition is high and they are determined to mark their territory in giving services that are high class. The DCCI events are meant for quality and premium class not just quantity. This is how the chamber capitalises and manages to sustain a certain level of respect with the government and other major stakeholders.

*“.....We are living in a competitive environment, it's important to have quality events than the quantity event. There is a lot going on in business this days and the chamber strives to give premium events.....” P1*

The government services are mostly offered for free to business people or for a minimum cost. These organisations form part competition with the chambers.

*“..... SEDA does not have a subscription fee, the trainings and workshops are for free.....” P8*

### **5.2.13 Lack of Equipment for Staff**

The membership department staff members have asked management for training and equipment that will assist them in recruiting members. They require a kit that has all the chamber services information, with clear instructions by the DCCI as to which services are available and what the genuine benefits of being members are. They believe that this will make a recruiting team more efficient.

*“.....it is hard to recruit people and when they come into the chamber they find that there are no services. It is very demotivating, we have given the management a long list of requests towards the needs that will assist us to do our job better, and we did not get any of them. We get emails from members that we have recruited disappointed that there are no services in the DCCI.....” P2*

*“The chamber should have clearly stipulate the services that are paid for and those that are for free, bearing in mind that members do appreciate free services.....” P3*

#### **5.2.14 Bureaucracy**

The chamber executive leadership gives the members and management of the chamber difficulties in many ways. The board particularly has slowed down the chamber from implementing changes that can assist the chamber in growth in several instances. The delays in implementation cause late decision making processes and to staff members and members it becomes a ‘broken promise’ by management. Another concern was that the council members turn to their own needs first and do not think of the consequences on the chamber as a whole. The leadership of the DCCI should be members focused, aiming to give a service that has been promised to members, not just a ‘sweet talk’ but something that adds value for membership.

*“Members have been promised over the years that the DCCI will conduct research on the member’s needs. The chamber has to look into what their members needs by involving themselves in the intense research for its membership needs. When they have found what members need give a service that show commitment and interest in their job. Deliver some results.....” P9*

The governance of the DCCI with the council as the highest decision making body comes with a lot of challenges in the implementation of services and accelerating operational matters. To have the council decide on a matter takes longer than if the operational management were given the power to make operational decisions. The council is made up of 30 individuals who are respected leaders of the DCCI. The challenge is when the council become part of operational activities where major decisions that the operations management see as crucial for the chamber has to sit for council hearing. The chamber’s process of being registered as NGO has been on the table for long and the chamber remain unregistered.

*“.....There are many examples I can state that shows that the leadership of the DCCI does not have respect on its members. What happened to the ‘World Bank initiative’ from three years ago that has not been implemented, leaving the members in the ‘dark’ .....” P9*

*“.....the chamber has to be registered, but it required board of directors therefore, there has been a long hold in registration of the DCCI.....we are still not registered.....” P12*

The chamber can be more functional with the CEO and managers handling operations for the members’ greater benefit, while the council and board deal with policy and advocacy matters.

The role of the president is a major one within the DCCI, the annual reports are authorised by the president. The DCCI president is hands-on in the activities of the chamber; this has given challenges in terms of authority between the president and the CEO particularly in matters concerning operations.

#### **5.2.15 Favouritism**

The organisational politics within the DCCI in a form of favouritism of one company member over the others is a complaint caused by leadership. Members realised that there are companies that are offered as priority over others in terms of giving services to the chamber and yet they are all members.

*“.....when one realises that the company that gives a similar service is getting preference and that caused me to withdraw my membership with the chamber.....” P8*

#### **5.2.16 Lack of Common Vision and Cohesion**

In the 2014 the DCCI vision is: “To be recognised as a world class Business Chamber and a united voice of business in eThekweni/Durban”. The mission is “To contribute towards creating a conducive economic and business environment in eThekweni and beyond as well as providing services specifically relevant to small and large business in the region”(Layman, 2014b). The vision of the chamber is great however it is not in the mouths and the actions of the employees of the DCCI therefore it is not a common vision.

Staff members have complained the executive leadership do not associate with them and the message they receive when that happens is that they are of less importance. These are crucial issues that are unspoken in meetings, but are causing harm within the organisation.

*“.....they (Council) will never even greet you, they pass you as if you don’t exist, how can you associate with people that shows you that you are low and they are high.....”*

P2

The chamber provides staff members with team building activities; the chamber even has times where staff members list their grievances. The team building sessions often deal with surface matters, they are not able to look into the core issues and resolve them. Staff members find it necessary they should have productive sessions where they can openly speak in honesty towards one another and to the leadership and form some ‘real’ relationships and resolve real issues for the DCCI’s benefit. There should be constructive sessions whereby the chamber staff members openly communicate to one another in order to improve the flow in the work they do.

#### **5.2.17 Intimidation Tactics**

In some instance intimidating tactics have been used by chamber staff members. Members who have been working for the chamber longer use long service as an excuse to refuse to do what management asks from them. This would shadow the real issue and diverts the conversation into what has been happening throughout past years as compared to currently under new management. Leadership sometimes gives in to the tactics and avoids further conflicts leaving the matters unresolved and the effects thereof.

*“.....you see there are office politics here and sometimes we get undermined because we hold the management positions and yet we have just recently been appointed, there are people who have been here before us, sometimes they make you feel that you are new.....”*

P7

#### **5.2.18 Members Unrealistic Expectations**

There are members who seem to gain no benefits from the DCCI, particularly ones who have unrealistic expectations of what the chamber should do for them. Some have confused perceptions of what the chamber does; they believe that because they are members of the chamber their business will automatically flourish and grow. They forget the part where they have to take initiative and grow their business as entrepreneurs.

*“.....members too have to be realistic, we do not grow the members business that’s the work of the member, and chamber will not magically make your business successful. The chamber*

*can provide leads on how to make a members business successful by the available services.....” P10*

In several areas people do not have a precise idea of what chambers do; there is popular misconception that chambers source funding from government and give it to start-ups. A member joining the chamber with such mentality is likely to resign as the chamber does not give any financial assistance.

*“.....few years ago I asked a lady what the chamber does and she said it’s an organisation that source funding from the government to give to business owners..... We deal with many misconceptions as the chamber.....” P6*

### **5.2.19The Out-dated Membership Database**

The DCCI has faced a great challenge in terms of members coming and leaving the chamber for some extended time. The database of the chamber has not been updated in 14 years. This has such negative effects on all departments as the chamber is a membership based organisation, and if it is not clear who are members and what those members do; it becomes dysfunctional and impossible to render relevant services. It has a negative financial implication to an already financially challenged chamber, as it costs the chamber more to make calls for subscriptions, only to find that the company called have withdrawn their membership for a while.

The out-dated database is also the reason why there are spaces on the table 5.2. There is no clear indication on numbers to the present day. The other factor that makes an out-dated database a major deadlock is that members have been promised business to business procurement service and access to the database; with the database being out-dated it makes such services irrelevant.

*“.....the out-dated database is the biggest issue; if the database is not put in place then it’s impossible to make the decisions on anything.....”*

The challenge is lack of responsibility within the DCCI, in owning up to the database problem at hand. There is a lot of blame shifting when it comes to this issue and members are continuously complaining about the out-dated database. The chamber is not delivering due to

this, and the services are not improving. Staff members ‘responsible’ said the leadership does not want to invest in the database update as it’s not part of their job.

*“.....the chamber refuse to spend money and update the database to make sure that they put a database in its right place. It’s pointless to go back to members and get new information when the current one is out-dated.....” P2*

The management opposing that believes that, membership staff is responsible for the job and should do it.

*“.....When management tells the membership team to call members for database update, they say the chamber should hire a call centre because it is not their job.....” P7*

There seem to be lack of progress towards assisting the membership in the database regard. There is no progress since October 2013 when the database update issue began and only 15% of members have been registered in May 2014 and their contacts are updated.

#### **5.2.20 Lack of Internal Communication**

In any relationship or any system there has to be healthy communication otherwise the system will collapse. Communication refers to a constructive, honest and open communication between all parties involved. Lack of communication internally has caused the chamber a lot of problems as the researcher observed and heard. Unless this major problem is addressed the chamber will not be able to give services they desire to render to members. Unless what the CEO says is known to all the staff members including cleaners and tea-ladies, the chamber will be something to the public and another thing to its members.

Internal communication is lacking in the DCCI, and members suffer the consequences. A clear indication is an incident whereby a member needed to access information and one manager could not assist a member personally and the best they did was to refer a member to a service provider who was a member in the chamber. When following up on the same incident, the researcher discovered that the manager could have provided the information needed by a member. Participants highlighted the chamber needs to have a marketing

manager. Lack of one has caused a lot of challenges for the chamber; the DCCI suffers limited internal communication.

### 5.3 The Continuous Decline

There has been a decline in membership, as identified in the DCCI annual reviews. The annual review of 1999 which is the oldest the researcher could get hold of for this research mentions that there were 7000 members of the chamber in that year. The table 5.1 shows the chamber membership numbers going from 7000 to 2899 in 2014.

**Table 5.1: Summarises the years of the DCCI Membership Numbers, Leadership and Pattern of Change.**

**Source: DCCI Annual Reviews**

Year	CEO of the time	Membership Numbers	Estimate Decline/ Difference from the previous year	Recruits / Increase in Membership
1999	Dr Jaye Wilson	7000 to 6500	500	Unknown
2004	Dr Jaye Wilson	4000	2500 lost in 5 years	447
2005	Prof Bonke Dumisa	Unknown	Unknown	Unknown
2006	Prof Bonke Dumisa	Unknown	Unknown	Unknown
2007	Acting CE Ms Denise Chendip	3433 to 3337	96	Unknown
2008	Ms Gugu Mazibuko	3322	15	Unknown
2009	Ms Gugu Mazibuko	3200	122	Unknown
2011	Mr Andrew Layman	2543	657 members in 2 years	Unknown
2012	Mr Andrew Layman	2799	252	503
2013	Mr Andrew Layman	2727	Unknown	Unknown
2014 February	Mr Andrew Layman	2753	Unknown	146

The table 5.2 shows the from 1999, then three years later, 2004 since there were no annual reviews presented to the researcher on the other years. In the three years 2500 members were lost. Mentioned are the 447 members that were recruited in 2004. In 2005 and 2006 the annual reviews did not mention anything on the numbers declining however, it is evident that there was a decline from 4000 members; after 2 years it became 3433 members. In two years about 567 members left the DCCI. The management desired to increase membership by 16% in the 2006 annual review. There is no evidence that the management's desires happened, the decline seemed to continue.

In 2007 the chamber had 3337 members that began with 3433 showing a decline of 96 people. The numbers in table 5.1 are taken straight from the annual reviews, there were no back up documents to justify or add on to what has been recorded in the table 5.1 above.

In 2008 and 2009 the chamber kept losing its members from 3322 to 3200 in 2009, a difference of 122 members.

In the year 2010, no record was found of the DCCI membership numbers within the annual reviews of that year; however the 2011 report shows that there was even a further decline of membership to 2543 members and this was the lowest number compared with the trends since 1999. A total of 637 members have been lost in the 2 years gap between 2009 and 2011.

In 2012 there was a different turn, a decline was arrested and the chamber began to gain members. It is crucial to mention that it does not mean that the chamber stopped losing members. It clearly states in the reports that 503 members left the chamber. Even so, the chamber still managed to increase numbers from 2543 to 2799. In 2013 that number decreased to 2727 showing a decline of 72 members.

In 2014 when this study was done the chamber had 2753 members in April when an annual review is published. During the study, there were 146 members who were welcomed by the DCCI, in addition to the number in the annual review. The event to welcome the new members is called 'the new members forum' and it is done for new members to give them information on what they signed up for in terms of service provision by the DCCI.



The latest number of members the researcher came across is 2899 by simply adding the 146 to the 2753. There has to be clarity that this might not be the actual number however it's the closest estimation. The reason it can't be confirmed is that the records of declines by August was not presented to the researcher.

The other aspect that shows in table 5.2 is leadership in terms of the Chief Executive (CE) or Chief Executive Officer (CEO) of the time. The dynamics of the management had identifiable patterns and will be discussed below.

## **5.4 Management Dynamics**

There are different dynamics that formed part of the research and dynamics came with many changes the DCCI went through; the greatest change occurred in South Africa when apartheid came to an end. The decline in numbers was accompanied by rapid changes of who was still a member and who had left.

### **5.4.1 The Dynamics in the Leadership of the DCCI**

Dr Jaye Wilson became a CEO in 1999 and there is not much written on the background of Dr Jaye previous jobs before the DCCI. Dr Jaye was a black woman, and to appoint her at the time was to place a black person in the leadership position of the DCCI; the board was addressing the issue of black women in top management positions.

*“.....with the three past CEO's the chamber leadership tried to make the DCCI blacker .....”* P11

For five years of Dr Jaye CEO position, the chamber went through many difficulties through losing members and the retrenchment of some senior staff members.

*“The senior staff left with the institutional knowledge they had.....”* P11.

It was hard for the chamber to function without knowledge on how things were done particularly when problems occurred within the DCCI.

Dr Jaye left the DCCI in 2004, and Professor Bonke Dumisa, a black male became CEO. During Professor Bonke Dumisa management there were no reports of a decline in numbers taking place within the DCCI in the annual reviews.

Mrs Gugu Mazibuko became the CEO in 2008, a black female. Mrs Mazibuko left in 2009 leaving the chamber with no CEO, but acting staff members in the position. This is where the board invited Mr Andrew Layman for the position of CEO. Mr Andrew Layman is a white male who had been working in Pietermaritzburg Chamber for 13 years, as CEO of commerce and was successful in his leadership. His appointment was in 2011.

#### **5.4.2 Management Competencies**

Sustainability in an organisation is highly dependent on its leadership particularly operational leadership. The leadership that brought back the trust the public had in the chamber showed these qualities:

- a) Eloquence and ability to address the public.
- b) Physical engagement and involvement with members face to face and through email.
- c) Teaching and sharing of information about the eThekweni economy and the business sector.
- d) Social skills that include facilitation, communication and public relations.
- e) Long term experience within chambers' management positions.

The DCCI realised that when a person is qualified for a position and is skilled they do better regardless of the difficulties. The DCCI believe it is a great investment for the chamber to have skilled workers especially managers. The membership of the DCCI has different dynamics that are discussed below.

#### **5.5 Membership Dynamics**

Members of the DCCI are in different categories, some participants were members because they owned businesses while the others were member's to represent the company they work for, mostly these are large companies like Tongaat Hullett, Unilever, ENGEN and the banks.

The DCCI is made of 20% large business and 80% Small Micro and Medium Enterprises (SMMEs). Members pay annual subscriptions towards gaining services of the chamber. The

chamber organises workshops, networking sessions and seminars for the members. The chambers take pride if the businesses that are members become a success.

*“Our aim as DCCI is to make our members more profitable, nothing more nothing less...”*

P15

The membership is a crucial element of the chamber, each annual review express a mandate to serve the members as best as it can (Zulu, 2005, Wilson, 1999, Ngcobo, 2007). There are other identifiable patterns in membership within the DCCI and they are further discussed below.

### **5.5.1 Small Numbers of Black Members**

Among the SMMEs and large organisation members that are part of the DCCI, there were few that were black in race. The SMMEs presented at the networking sessions were mostly Indians and white people. The question the researcher had in mind was why there are so few black people within the DCCI. Through attending different committees, the networking sessions, free events and the launch of exporter awards, the researcher gathered reasons why there are not as many black entrepreneurs in the DCCI. The reasons were the DCCI exposes the services they have to mostly English speaking readers. An example given are the articles done by the DCCI in the Mercury newspaper. There are other newspapers written in isiZulu and those are mostly read by black people. These become a barrier limiting them to information regarding the DCCI's services to this group of people. The DCCI being led by a white person comes with limits for black people to engage, just a language barrier can hinder relations. To argue the comment, the chamber had three black CEOs previously and that did not change anything in terms of black membership. Black people in the membership are still few in the DCCI in 2014.

*“.....there DCCI services are not conducive for someone black, imagine a guy from Umlazi going for a golf day yet they have never played golf ever in their lives.....”*

P13

On finding there were less black members in the DCCI, the answer was the services were lacking and members moved to other organisations that gave relevant services.

*“..... there is small business chamber that started 5 years ago that took more than half of the small businesses that previously were members in the chamber .....” P10*

Other participants argued to say black people are only developing businesses lately and are assisted so well by organisations like the Small Enterprise Development Agency (SEDA) and many times there is no need for such a small business to be part of the chamber.

*“.....the chamber when it comes to small business, all they do is to give information .... I wouldn't encourage a small business to pay money and be part of the chamber unless they are part of the health sector that has many policies, that is where the DCCI come in handy as they fight against the policies..... ” P10*

However some sectors like the health sector needs the chamber; no matter how small the business is due to the policies in place in the health department.

*“.....Most of the small businesses are not interested in the chamber because they want to keep away from the eyes of the government, especially the receiver of revenue..... ” P15*

*“..... The companies that avoid being chamber member are mainly the companies that are below the radar..... ” P11*

### **5.5.2 Negative Attitude towards SMMEs**

During observation the researcher pointed out the ‘negative attitudes’ towards SMMEs by many participants commenting that SMMEs do not afford the subscription and they are too demanding, comparing them with larger companies that can afford subscriptions.

*“..... Most of the time is the SMMEs that quit their membership, the large corporates barely resign..... ” P4*

*“..... There are SMMEs who complains that they have not seen the benefit of being DCCI member for 15 years so the question is why they are still members if there is no benefit..... ” P3*

However it was mentioned so many times it became a concern on how the SMMEs may feel with such negativity repeated in different settings. The chamber has many stakeholders that

have relationships with the chamber for the benefit of members. These relationships are crucial for the growth of the members' businesses.

### **5.5.3 Members Benefits from Stakeholder**

Within the ten standing committees, the experts are often invited by the DCCI management to address members on any question they may have. The SMME committee had a representative from the Industrial Development Corporation (IDC) who came to advise on funds the IDC can provide for businesses. It was to the managers' disappointment that the SMME committee members did not attend such a crucial meeting. The incident clearly showed the DCCI make plans to assist the SMMEs and SMMEs did not use such an opportunity. The SMMEs could not blame the DCCI for this incident as they did not play their role in attending the meeting

*“.....there has to be willingness of both parties to participate in a willing seller willing buyer attitude for SMMEs to see the results and growth for their membership.....” P14*

The SMMEs have shown a clear dissatisfaction that has been extended to be called 'mourning' in some instances for lack of value for their membership. The IDC is another example that is responsible for providing financial aid for industrial development projects; the IDC manages to accelerate growth for industries in South Africa and across the border. The IDC acts as a catalyst in promoting partnerships across industries that promote economic growth (Qhena, 2014). The relationship between the IDC, SEDA and all other government sectors with the chamber needs to be strengthened for business success. The IDC does not just provide their client with funds but assist them to be successful in any project they are funded on; they continuously pay their clients a visit at their projects, providing advice when needed.

### **5.6 The Benefits of Being a Member**

Being a member of the chamber means getting leverage over other businesses as much information comes first to the chamber; its members and to the rest of the business community. The participants made clear that businesses that may find value within the chamber are companies who have eight employees and above. Smaller companies than that will struggle to find value. Although the researcher may agree with the eight employee company benefitting more, the researcher identified some smaller than eight employees doing

very well in their businesses through chamber services because of knowledge they acquired, like ‘seeing the bigger picture’ as they described it.

*“.....if you are a small firm that is beyond the radar you would not be involved in the chamber issues. The eight employees upwards firm can benefit better.....” P11*

The new enterprise manager is taking the initiative to build relationships with the Sector Education Training Authorities (SETAs) that can subsidise training for enterprises. The SETAs are government owned therefore have funding that businesses can access. Some offer free training to business; the DCCI is planning to refer their members for some of the necessary training where members will pay less than what they could have paid elsewhere. SETAs also provide subsidies for services like bookkeepers for small business; they can pay half for a business. The income saved can be used elsewhere for further development of the business.

*“.....I will be partnering with SETAs, they can assist small enterprises with training.....they can even help small enterprises to subsidise the salary of a bookkeeper, if a book keeper cost enterprise owner R3000.00 they can pay R1500.00 and enterprise owner pays half of the salary.....” P3*

The DCCI in partnership with stakeholders and government departments established a Trade point concepts that gives opportunity to SMMEs to trade with other countries. The main focus had been on trading in Africa; recently delegates went to Bulawayo, Zimbabwe to find opportunities for business. There have been success stories and members are encouraged to use these trading opportunities with other African countries.

*“Trade point realised it’s not working for small business so we developed something new that they call export development..... We changed exports when people went to Bulawayo, Mozambique, Lesotho..... They come back saying they got great opportunities for business.....” P10*

Among the DCCI membership there are also NGOs and NPOs. The current leadership have identified the NGOs and NPOs that belong with the DCCI and the attempt is to stretch the social good through these organisations. There are 36 NPOs and NGOs that are chamber members that for many years have been paying subscriptions, but not getting services. Members have voluntarily been coming through with ideas on what they would like to assist

the NGOs and NPOs with, and the policy and advocacy office will assist the companies who contributed towards points on their BEE score cards.

The DCCI through Durban Chamber Foundation (DCF) reach out to members and non-members with training in Human Immune Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) and tuberculosis prevention in the workplace. The DCF have a board of directors that assist the operations staff in running different projects in the private sector and in communities.

In one SMME forum the researcher attended the present SMMEs appreciated the advice from the stakeholders. This shows that it's not only monetary value the SMMEs look for in large companies, knowledge from them is also valuable. The chamber can facilitate this and build the bond between the large and small members.

Membership gets support from the DCCI through various departments and it's in services that value is created for their membership. The staff has to give service that is relevant and reliable and information that can make members businesses flourish.

The legacy of the DCCI being the voice of business is seen through the services they render like policy and advocacy where the chamber comments on the policies of government. The DCCI remains relevant by being the voice of business internationally through business services exports and imports sector where the local businesses get to communicate with other chambers outside South Africa on their member's behalf. The other similarly important role taken by business services of the DCCI is with international delegations that come to South Africa to invest. The DCCI organises members to be the first to hear from the delegation and get a first-hand opportunity to look at an investment.

*"The chamber receives international delegates and sends out delegations to many countries abroad. Recently there was a delegation that went to Zimbabwe to see if there are opportunities....." P8*

#### **5.6.1 Characteristics of a Successful Member**

There are characteristics that the researcher captured that makes a member who gains value from the DCCI membership. These were the characteristics identified: It is a member that is generally positive in their own lives and has a plan on where the business is going, they were passionate about their business and want to see it succeed. Another characteristic that was obvious to the researcher during interviews was they were hard workers and committed to

their businesses; they always found a way to mention their business in any conversation. Marketing for their businesses is the reason they joined the chamber in the first place. They looked at the bigger picture; they were not expecting immediate rewards. They make calculated moves, even as to which events to attend and which to save money on and not attend as they give no benefits. They are constantly networking and participating in the DCCI and other entrepreneurial schemes. They are willing to give information for free in order for others to gain knowledge. They volunteer their time in committees, and they participate in many activities the chamber have and this is also strategic towards learning more for their businesses. They approach the chamber for services, they do not wait the chamber to make an offer that there is a certain service. They follow up with the chamber if they don't get a response. These members, who push boundaries, sometimes get an exclusive service because they are under the chamber's wing. They use the facilities the chamber provides like posting their company website link on the chamber website.

*“.....I have four months contract I am training a company and this was through the referral of the chamber. The chamber keeps saying give our SMMEs some business. We are getting a lot of business through the DCCI referrals. I do not have a sales person, I do my own sales, I do all the networking with the DCCI and the other 3 networking bodies I am part of, I do my own pay roll I am very busy. ....I work really hard we work hard and I think that's what the SMEs don't do, they just think things will fall on their lap and that is where the gap is and I find it as a problem.....” P5*

## **5.7 The DCCI Service Improvement Possibilities**

There are several suggestions on what the DCCI can do in order to improve on the services it offers. Many participants mentioned the chamber is doing well however there is still room for improvement.

### **5.7.1 Improvements for the SMME Sector**

The Enterprise and Suppliers Providers (ESP) development element has recently been added to a BEE law. Large business needs small BEE compliant businesses more than they did previously because of the addition of ESP. It places emphasis on purchasing from BEE compliant suppliers and from black owned enterprises. Large companies have to spend 2% of their profit after tax on such initiatives in order to qualify and increase their BEE scores.



Companies that are looking for BEE compliant companies can get some of the DCCI members and in that way those SMMEs will get themselves jobs. The ESP element is needed by major banks, large companies and there is enough variety for small businesses with relevant goods and services to gain business. The chambers like the Foundation for African Business and Consumer Services (FABCOS) and Johannesburg Chamber of Commerce and Industry (JCCI) are already being trained by BEE specialists on how to use ESP for their members and the DCCI can have such an opportunity as well.

*“There has been such service by the chamber already where the DCCI have referred the large business for a BEE compliant service or supplier to improve their score card. That is one service the chamber has rendered since the government implemented BEE policies.....” P10*

The chamber should set up so that small and large companies interact often.

*“At the exporters awards launch there was a great blend of people and any established SMME likes to interact with such people, the chamber should push to make this kind of interactions happen often.....” P7*

There are challenges to large business as they are only 20% of the membership; the fear the DCCI leadership have is to overload much needed members in the chamber and scare them away.

*“Large firms have difficulty in overseeing a host of small BEE complaint SMMEs, if they were many large firms maybe they could manage but it is such a small number, I think they will be overwhelmed.....” P11*

Small businesses need a different kind of approach and the chamber should realise that, understanding a new entrepreneur needs a different approach from one with experience. The DCCI has to accept there are more SMMEs than before and tailor-make services for them. The SMMEs are a crucial part of business in the new era and the chambers have to develop packages that will serve them.

*“The chamber should clarify the cumbersome information into smaller chunks for a small business owner who does not have experience.....” P10*

*“.....there are no relevant services for SMME, a workshop on human resource does not help a company with 3 employees, that company does not have any problems with*

*employees..... there has to be services rendered to the smallest members, developmental sessions.....” P7*

Another challenge is, although some SMMEs manage to get contracts to work in large businesses, the large businesses reduce the price of the service or goods that the SMME provides them with. SMMEs complain that this is unfair as the prices they have in place are calculated to give a profit margin that assists them to grow their businesses. The chamber should look into this when dealing with relationships between small and large businesses in the DCCI and make it more constructive.

*“.....i have a problem with the tendency of large businesses disregarding the prices we give them and telling us how much they are willing to pay, and you know as SMME you like the benefit of earning that contract however I have a big problem with large business attitude....” P5*

Members pleaded for flexible payments of subscriptions; the chamber should therefore allow the SMMEs to pay quarterly or monthly as it will be easier and affordable.

*“.....I asked to pay for a subscription twice which is in January half and July the last half, the chamber refused, they are very inflexible with payments and many SMMEs can't afford to pay once off.....” P5*

The chamber is supposed to allow members to pay flexibly, that is what the leadership agreed on in the past. There was conflicting feedback on the matter of flexible payments of subscriptions.

*“.....the chamber provided several options for members to pay their subscriptions.....there should be such an allowance.....” P11*

The chamber has been developmental to SMMEs and they have come a long way; but there is still a long journey ahead. The collaborations the DCCI have had hosting training for entrepreneurs and going into locations to give training have shown the interest they have in SMMEs.

*“.....the chamber have recently been going into the locations to speak to SMMEs, it has been encouraging but it only started like three years ago to be precise.....” P10*

### **5.7.2 Skills Development**

The DCCI have to realise the need for skills development in the organisation. The chamber should accelerate the provision of training to its staff and give them the necessary skills to do a job. Members complain that they subscribe to the chamber to get services they were promised only to find that there are no skills within the chamber to deliver such services.

*“.....there is nothing happening on the service, there are services on paper but there is nothing happening..... People don't have skills to handle the issues.....” P2*

### **5.7.3 The DCCI Services Decentralised**

There is a need for pilot offices for the DCCI towards decentralising the DCCI as the chamber have a lot of members who are outside the Durban town area. There are members in rural areas. Initiatives towards taking the DCCI outside have begun and one of the initiatives is that an office will be opened in Mbumbulu, one of the rural areas of KZN. The chamber through the office of enterprise development will be housing the DCCI representative once in every week at Mbumbulu; beginning in September 2014 with a workshop by the DCCI in the area; thus familiarising business owners of the availability of the chamber in Mbumbulu.

### **5.7.4 Sector Focused Recruitment**

The DCCI previously offered its services on specific topics such as rules and regulations in the health sector to specific groups and potential members such as doctors.

“Doctors run their practices but they are not really entrepreneurs and that is where the DCCI can assist them” (Layman, 2013:5).

### **5.7.5 Mentorship Project with Municipality**

The chamber had 20 members through the project the chamber and eThekweni municipality had established for entrepreneurs in construction. The municipality has sponsored 20 construction entrepreneurs to be trained, be served by the chamber and be developed for their company's benefit. The mentorship programme forms part of this project. The project entails training, mentoring and assisting the 20 entrepreneurs in growing their businesses and introducing them to the private sector. The purpose of the project is to do away with tendering as the only way of doing business, but expand it towards the realisation that there are contracts the private sector offers. The project was launched in May 2014 at the DCCI

office premises where the mentors met their entrepreneurs. There are success stories in the three months of the launch from May to August, where some of the entrepreneurs together with their mentors, have managed to gain 5 year contracts with major companies. There have been challenges the project has faced however it continues until 2015. There is a question regarding retention of the mentees, many doubts that the 20 mentees will renew chamber membership in 2015 when the money will have to be out of their pocket.

*“.....When municipality contract is finished in the following May 2015 the prediction is that only a few will renew their membership from their own pocket.....” P11*

Some participants showed concern at the mentoring project the DCCI have with municipality, saying it actually demotivates the SMMEs that are already members; sourcing those who are outside instead of assisting the SMMEs that are in the chamber already.

*“.....what municipality has done is actually to say to SMMEs leave the chamber membership when you are out there we will find you, pay for you and get all the training you need for free.....” P3*

Criticizing the attitude of mentees, one participant mentioned that they have a negative attitude because they don't pay for services they are getting from the DCCI.

*“.....there is something wrong with spoon feeding people as they turn to become 'wheelbarrows' that demands pushing all the way. Our people really have to change.....” P5*

#### **5.7.6 Sector Based Networking Sessions**

The DCCI networking sessions are a space where entrepreneurs meet up to make business connections that will give benefits to the parties involved. One event that captured the researcher was the coffee connection event. The networking session was creatively done and was fun. The event was facilitated by the CEO and all staff members hung around to chat with members. Lucky draws were another aspect of fun and members winning something from the event gave it a personal value. The one draw stood out and maybe good for the winner. This is the draw where a winning company will then give a presentation on their business at the next coffee connection. It is a great opportunity to network, not only one to one but with a whole crowd. The DCCI have to listen to members' needs when they strongly

emphasise the need for sector specific networking sessions, events and training that can give better benefits.

*“.....rather people picking where they will be sitting at networking sessions and events, the chamber should arrange the sitting in such a way that people on that table are forced to network because they are relevant to one another.....” P7*

There is a need for more networking sessions as these benefit SMMEs the most because when they meet up they are able to exchange business cards and set up meetings.

*“.....I don't think there is enough networking sessions.....” P13*

The other participants found networking sessions sufficient in number however they could be better organised.

*“.....the chamber host a lot of session, which is a good thing but they have to be strategic and make them sector specific.....” P7*

The manufacturing, logistics and transport as one group that can be put together at one session. The sessions don't have to be closed if other members would like to attend with knowledge that it's for a certain sector. This will assist in more focused and rewarding sessions than when it's just an open session that normally don't lead to deals. The sector specific events can also deal with the opportunity cost when it comes to members' attendance because members will realise the advantage of a networking session where there is relevance to their business and there are stakeholders present.

*“.....I am particular with which networking sessions I attend, although I have never had any business deal out of the networking session, I already spent a R1000.00 in the 6 months alone on networking sessions but I never get leads at networking sessions.....” P5*

The other idea was to have separate networking sessions, meetings and trainings. The sessions should serve very small business, small business, medium business, and a large business. This will assist with dealing with the cost factor where small businesses never use any of the DCCI trainings or networking sessions because they are expensive for them.

*“..... Perhaps there should be categories whereby there is a smaller members' session and it's specifically categorised, separated from the high level one and it's made cheaper than*

*R500.00 normal price. When the smaller ones want to interact with bigger companies then they should be ready to pay make such a payment.....” P7*

During the events the tables should be arranged in the sectors they relate to. The chamber should facilitate the seating in a way that attendees gain business or create leads.

*“....because as the chamber you know us members and what we do, why not arrange the tables with our companies names and speciality to allow for a better interaction.....” P7*

The SMME members desire some innovation when it comes to training rendered by the chamber; they recommend training that has not been given by the DCCI in the past, particularly for medium companies that have existed for some time. Training that gives skills on how to attract young working class people as they are the target market for this day and age. The chamber should realise that in doing that they identify their members’ needs and cater for all of them.

*“.....when I look at the courses the chamber hosts, they are the same thing that have been happening..... they should upgrade introduce fresh ideas, innovative courses that will attract younger generation.....”P15*

#### **5.7.7 Voluntary Sessions by the Members**

The members who offer training in their companies are willing to give basic training for free to other chamber members.

*“.....I am willing to give training to members for free because to be honest the chambers prices are very expensive for SMMEs.....” P7*

*“I have over past years trying to give free information sessions for members.....” P5*

However management disagrees with free training because they sometimes clash with what the DCCI already have scheduled.

*“.....the chamber have since refused me to have such a session, they actually say I must make people pay so that I can pay for the venue..... I think SMMEs can benefit more if it’s free.....” P5*

*“.....there is 2700 members whom would like to present their sessions for free. We do allow for such only if we believe that the subject matter will draw reasonable attendance.*

*.....sometimes their topic might be in conflict with another presentation scheduled for a similar time.....” P6*

Or the chamber would like that company to make members pay in order to have that financial benefit of hiring a venue.

*“.....what the chamber does with events is advertised, and a member pays for venues and other cost.....” P6*

### **5.7.8 Members Visitations**

Retaining existing members is the greatest challenge for the DCCI in terms of current membership. The DCCI should speedily realise that forming relationships with members is key to retaining them. Business visits by DCCI staff members to members businesses can assist in retaining those members. There are practical reasons why a member can benefit from such visits. When a staff member visits the business they show interest in what the member’s business does. If there are certain queries to be attended to for that member, the staff member can note them or assist immediately. If there is procurement for a tender in the business sector where a visited member can benefit, staff members can make them aware. This can happen even thereafter once the relationship has been established. Meaning staff will know members better and what they do. The staff members will be able to identify certain issues like safety, energy efficiency use within the company and advise on such, so that members’ benefit better from knowledge the chamber offers.

*“.....Membership retention is mainly based on building the relationships with the members.....” P6*

Chamber members showed a lot of appreciation when the researcher visited their offices and asked about their businesses. Business visits are part of what chamber staff and leadership have to do; however it is not happening as often as it should. Membership visits have further benefits that can pre-empt resignation by hearing from members about complains and provide a needed service. The visits can also establish whether a member receives enough information regarding the DCCI and if such a member utilise all the services relevant to their business.

*“ The DCCI leadership request the staff members to make just a phone call twice in a year to members by the membership staff responsible for that area if visits seem impossible.....” P12*

#### **5.7.9 DCCI Customer Relations Management (CRM)**

It's a fact that most members when they visit the website, go there to get information and not to chat. There has been a link recently on the website opened to chat, however the difficulty with accessing the chatting link has not been the only problem with the website communication. Information technology demands time for one to be on the internet instead of doing other things and demands knowledge; not everyone can access technology easily. Emails are the most direct and easiest means of communication.

*“.....Website management is a big deal for every organisation. It is unrealistic to ask members to use the website as a means to communicate....” P7*

The DCCI website is ahead of its time, too complicated for both members and non-members. People have to register to be part of the website and they find it too demanding. The other factor is the words that are used on the website are 'sign up' and 'sign in' where people get confused, thinking if they sign up with the website they are actually signing up to be chamber members.

*“ Members have to get lessons on how to use the website; perhaps the long coming website launch can be the best way to get people excited about using the website.....” P5*

#### **5.7.10 Tender Procurement Service**

The DCCI should inform their members of tenders and keep them updated on such as members join the chamber so it can be their eyes and ears in business.

*“.....there is no procurement services in the DCCI and people want to get tenders. That is what they join the chamber to get, more business information.....” P2*

*“.....we need tender bulletin and the DCCI does not give us that.....” P6*

### **5.8 Opportunities for Membership Increase**



Participants suggest chambers should be compulsory. The reason for that is chambers already represent the business sector whether the business has subscribed or not. An example is the decrease in electricity tariffs; when it was decreased after the chambers had complained; all businesses benefited. Although this has not been addressed officially; participants mainly those in leadership, find it a long term solution to chambers. It will decrease chambers' subscriptions fees as presumably they will be flooded with members and will thus have sufficient income.

*“....one cannot help but to feel that chamber membership should be obligatory.....if that happens there will be many thousands joining the chamber.....” P11*

*“.....A compulsory membership has been discussed in several settings and it can assist the chambers.....” P6*

The DCCI have a website that is insightful and informative. The chamber should realise that offering non-members so much access to information also perpetuates free riding by non-members. Limiting information to non-members could be another motivation for them to want to be members to get more information.

*“Members should be taught how to use the website as a platform to advertise their business....” P5*

Interest in registering as members on the website or signing up is very low. In 2014 the DCCI have 2800 members, but only 565 are registered and others only visit it once a month.

*“.....I have never been on chambers website in many years, I can't even comment on the issues of the website, I only attend to the emails they send me.....” P11*

It has been suggested chambers use Facebook, Twitter and LinkedIn as other means of communication with members.

### **5.8.1 Marketing for the DCCI**

When the new CEO came on board in 2011, he announced his belief that if one renders services that are relevant, the results will be better than through marketing. The chamber has focused on interactions with the public as a preference instead of finding means to advertise through mass media.

The DCCI has shown their marketing cannot be done through mass media because of the high costs involved. The chamber therefore adapted other ways of marketing. The first and most crucial way that participants mentioned was word of mouth. When chamber members have been successful through the chambers' help, they refer other business owners to the chamber and this is how most participants get to be chamber members. There are other ways the chamber gets to recruit members: for example businesses approach of the chamber and ask to be signed up as members; this is because they have heard about the chamber from different sources; in magazine articles; from a speech by DCCI representatives. When there is a public appearance, by staff members, the CEO or the president of the DCCI addresses the public about what the chamber does, people get attracted and join the chamber. That exposure advertises the DCCI and the public get recognition and businesses develop interest and join the chamber. Through interaction with partners, the chamber has partnerships with independent newspapers and business magazines nationally, which is another way the chamber gains publicity. The target is to get word to relevant people which are in the business and related sectors and this is advertising enough for the DCCI.

Another way of advertising participants suggested was for the chamber to go through the telephone directory and call companies they are targeting; although this is not happening presently, it can assist in growing membership numbers.

*".....Like what the large firms do, they are constantly sending emails to tons and tons of customers and making calls, that is what the chamber have to do....."* P5

*".....the membership staff should take the telephone directory and make calls, this does not happen in the chamber, it has to happen because it will grow our membership....."* P6

### **5.8.2 Membership Motivation Ideas**

There are many ideas that members, ex-members, leadership and management of the chamber contribute to the DCCI with regard to relevant services.

Large business investment success stories because of the chamber's intervention should be made public. A suggestion is that large companies should motivate other large companies to see the benefit of being part of the chamber.

The DCCI should re-issue every member with a new membership certificate that indicates the years they have been in the chamber.

*“The certificate should have details of the chamber for contact purposes. A certificate hanging on business premises serves in two ways; it shows credibility of the business of being a member of the DCCI for long and advertises the chamber for free.....” P9*

DCCI networking sessions like coffee connections, business to business and speed-dating ideas are useful, but cost money. The chamber can motivate members to bring people who will subscribe and go to networking sessions for free as a form of a reward.

*“Free session voucher can be a personal benefit to a member, and can make members invite more people that can be recruited.....” P5*

There are members who would like to have access to the list of attendants on request so that they can identify companies that will be presented at a particular session. *“If I know who is coming to that session I can go knowing that I will meet with that particular person and a business deal.....” P7*

### **5.8.3 Growing Finances Concepts**

The DCCI have a need to offer information packages for a fee to members and the rest of the public.

*“..... information is a saleable commodity but because we don’t know how to sell it, we can’t do it. We haven’t developed a structure on how to go about it like a tariff on how it’s done.....” P6*

There are more ideas suggested that can provide the chamber with financial back-up. Like getting households to pay a certain fee in case they need information or emergency assistance from the services the chamber provides.

*“.....if the chamber gives services to the households for a limited fee and whenever that household needs a service such as plumbing the chamber send a member there, it can assist the community, get more jobs for members and have that fee to assist the chamber.....” P3*

### **5.8.4 Member’s Service to Society**

The chamber leadership and members should acknowledge the role they play within society and see it as an opportunity for both businesses. Large companies are requested by other members to meet them as members of a chamber and speak business. The SMME members feel during the networking sessions large businesses do not find smaller businesses as important or have value.

*“.....large companies should support the government and assist the city leaders where there is a need.....” P9*

Large companies and leadership of the DCCI are urged that when asked to assist government when there is a need; they should assist without being ‘political’. Large businesses have a responsibility and play a crucial role for the DCCI and this should not give them authority to harm other members; however the chamber should facilitate relations that will bear fruit for this both businesses.

*“.....The chamber membership should also acknowledge the efforts by the government towards giving service and move away from constant complaints.....” P12*

## **5.9 The Major Changes Taking Place in the DCCI**

There are two major changes happening in the DCCI that might impact on findings of this study. Firstly the chamber has changed their premises from 190 Stalwart Simelane Road in Durban, to new premises at the Lion Match Office premises in Umgeni Road towards Durban North. The move was completed on 24<sup>th</sup> February 2014 and members were invited to a launch of the new premise on 20<sup>th</sup> March 2014.

The change of premise affected some members and the staff. Some participants found a place to be closer to clients they have from the North side of Durban. They also found it to be a convenient place to meet up with other members. There has been a challenge with lack of parking space for some members when trying to attend events at the DCCI causing them to cancel attendance. Contradicting that some members found the Lion Match parking space more convenient, as they previously had to park at the International Convention Centre (ICC) and walk a distance to the chamber offices.

The other major change about to happen is that the current CEO who has been working at the chamber since 2011 is about to leave due to his contract ending. On the subject of the CEO

leaving the chamber in January 2015, many participants touched on the subject and mentioned their concern for the chamber's growth. This could be because of the changes that came with the current CEO; particularly looking at the membership that had drastically declined to its lowest and he managed to turn that around. It gives discomfort on what will happen in his absence. Members and staff seemed anxious and others curious as to who will be his successor.

*"..... Andrew came into the DCCI and relieved us from the stress we had. He changed the chamber for the better. We saw the response that was very positive towards the chamber by the public since he came..... He is a well-respected man in the public, a good public speaker and he is known to a lot of people in business....." P4*

*".....I am very nervous about Andrew leaving because he has done incredible things. I know the DCCI before him and I know the DCCI after his arrival. I have seen him taking the chamber to another level. I hope a person that will be appointed after him will also be as approachable as he was....." P5*

There are other factors that cannot be ignored when it comes to operation of the DCCI management. There have been a lot of changes within many departments in the DCCI, as far as managers are concerned. The finance manager had just left when the research began in April 2014; leadership appointed one of the staff members to occupy that position temporarily. The new enterprise development department had a new manager appointed in April 2014. The policy and advocacy manager whom had just been appointed in January 2014 left in May 2014 and a staff member was appointed to his position.

The chamber has been without a marketing and communications manager for some time and the position was advertised in August 2014. These shifts come with change, and change can sometimes be good and sometimes bad for the organisation. When a new manager comes into a new position, they bring different knowledge into the department. Changes that occur rapidly bring challenges to both staff and members of the DCCI. The services the chamber renders depends on the knowledge and exchange of information that takes place within the operational staff, and the changing of managers cuts the flow of this exchange, which has an ability to hinder the provision of services.

## **5.10 Concluding Remarks**

The membership structure of the chamber was discussed in this chapter. There are major changes in the DCCI; one was a physical move from their current office premises to new premises. The other change was the CEO leaving and a new CEO being appointed. The chapter identified ten themes, each with subthemes to report the findings. The pattern of change since 1999 has clearly indicated a decline in membership of the DCCI. The decline has currently ceased and there is a new effort at retaining current members.

The themes identified operational matters like delays in implementation due to a bureaucratic or hierarchy leadership. Members not benefitting due to a lack of professionalism and dedication from chamber staff members. Members' unrealistic perceptions on what chamber will do for their business became another factor contributing to disappointment and resignations.

The study managed to find from participants what the chamber can do better in order to provide services that are relevant. The chamber's management, members and ex-members answered questions which give the DCCI an indication as to what to expect.

The discussion chapter will follow to relate the findings to other studies on related topics and theories that have been submitted by other scholars.

# Chapter 6-Discussion

---

## 6.1 Introduction

This is the discussion chapter that covers the findings and literature of this study in line with the initial objectives in order to arrive at conclusions of the research study. The chapter responds to the problem statement of the study and the research questions and serves as a reflection on the overall dynamics of change in the DCCI and other MBOs around the world. The DCCI has experienced many changes that caused their membership to change. The literature used is based on Membership Based Organisations (MBOs), it supports the results as there has been a period that is referred to as a period of decline when a new millennium began (Poguntke, 2012;Ang, 2006). The findings showed the DCCI has experienced a continuous decline in membership. A decline in membership has occurred in different organisations globally (Wealkens, 2003; Khomo, 2009). The decline in membership is a great concern within the MBOs, there were external and internal causes of the decline within the DCCI; referred to in the next paragraph is what MBOs including the DCCI have experienced.

## 6.2 Reasons for Decline

The continuous decline in membership that has taken place in the DCCI and its impact has been noticeable in Europeans unions, political party membership as well as professional organisations; results showed (Poguntke, 2012; Whiteley, 2009; Khomo, 2009). With a decline in membership in the DCCI comes the financial challenge of meeting operational needs of the chamber and this is becoming a threat to the sustainability of the DCCI. The sustainability is explained by Engelen, Jorna and Faber (2001) as meeting the needs of today without jeopardizing future needs. Reasons given for the decline in membership in the DCCI; were members having unrealistic expectations and council's and management's decisions. The council as the highest decision maker comes with its own challenges, as council is made of individuals who have their own occupations and to have them decide on a matter takes a long time, this is particularly in operational issues. Staff members lack of commitment in serving members has been what causes members to leave the membership in many MBOs as they leave to find a place where they can get better service (Wealkens, 2003). The stakeholder's actions and lack of contribution mean larger companies are not interested in lending a hand when needed within the chamber as companies that can assist in the growth of

the SMMEs and within the government. Traxler (2010) identified that larger organisations get incentives for having smaller companies within the same MBO as it gives weightier numbers in representation. Having large and small organisations belonging to an MBO could be an advantage, however within the DCCI they seem to be experiencing two giant challenges as stated by Huxman (2000), which are power and trust. There have been incidents whereby larger companies were labelled as undermining SMMEs and were unwilling to associate with them. Larger companies being the minority in membership support the chamber with financial backing and that leaves them possessing more power within the chamber, although they occupy only 20%. The SMME majority is made of the loyal members that seek the service that's worth their commitment but seem to suffer the consequences of SMME's being unreliable. Retention strategies are not easy; they require an organisation that commits to strategies and studies customers' interests (Stone, 2006; Hayes, 2001). The main causes in terms of retention are based on service provision by staff members within the DCCI and this forms a circle, where members, particularly the SMMEs, have certain expectations when joining the chamber on what it will be providing for their businesses. The management should invent services that will meet the needs of members.

### **6.3 Dynamics within the DCCI Membership**

The study managed to cover why the DCCI experienced a decline in membership while understanding issues that most MBOs experience in dealing with membership decline. The dynamic that was outstanding is the decision the DCCI leadership took towards appointing a CEO post 1994, where the chamber had a quest to make the chamber 'blacker'. This led to what the participants referred to as 'period of darkness' for the DCCI because the chamber experienced the greatest decline in membership during the leadership of Dr Jaye, Professor Bonke and Mrs Gugu Mazibuko. Leadership realised that professionally an experienced CEO, whether black or white, is better than just making the chamber blacker by making a black person CEO. The chamber appointed Mr Andrew J. Layman who had success with the previous chamber he led as CEO for many years. South African history played a major role when it comes to membership. Whites in South Africa had an advantage of wealth and that had to be redressed when the country adapted to democracy (Valsamakis, 2012). The journey was hard at the beginning as members rejected the redress policies and some clearly showed that BEE policies were not for them. This is an example of the history of segregation as a dynamic and its impacts on the MBOs of South Africa.



Membership organisations including LAISA have experienced transformation in government does not necessarily guarantee unity in MBOs; differences are identifiable and they include other members quitting their membership instead of aligning with 'blacks' or their policies. (Khomu, 2009). History further contributed to changes in MBOs in South Africa; particularly to a decline in membership as the government introduced laws on open medical aid to all people and the National Medical Plan (NMP) could no longer be as successful as it was in the (Wilson, 1999). This mainly affected the KwaZulu Natal chambers as this had been the way they gained high numbers in membership. Government policies had a high impact on MBOs, like unions, which affected retention of membership in America due to such changes (Roberts, 1999). The DCCI and other MBOs in South Africa are torn between the financial problems they are experiencing and satisfying needs of large companies even though they can harm the majority, which are SMMEs.

There has been a concern about favouritism and bureaucracy within the DCCI, particularly by leadership, with leaders not taking members seriously. The NGOs require characteristics such as the need to have democracy and accountability in their membership. The success of an NGO according to Chen (2006) is when it achieves objectives for members (Conradie, 1999). Favouritism does not reflect a success of an NGO, but the wellbeing and economic prosperity of the members does (Chen, 2006). The DCCI should realise this and begin to work with all members, larger companies and smaller companies, in order to realise benefits of both belonging together argues Traxler (2010).

There were methods implemented by other MBOs towards stopping the decline in membership and actually gaining a transformed membership that can grow and be sustainable. Organisations were able to turn the decline in membership around by approaching previously excluded people within their membership base; in South Africa LIASA approached library workers whom were previously excluded in the membership of the organisation as professionals were previously the only ones allowed (Khomu, 2009). This assisted in increasing the numbers of members within LIASA. The DCCI can place their focus on members who were previously excluded, like black entrepreneurs that are growing in numbers within KwaZulu-Natal, but are not represented in the DCCI membership. Unions in America focused on Hispanic and blacks to grow their membership when they were in the middle of a decline in membership according to Roberts (1999). It is essential to mention that although this move of including previously excluded added numbers, it began a new problem

of non-retention within LAISA. Professionals began to doubt if an organisation was professional enough; with non-professionals did not get any services as all the services catered for professional members (Khomu, 2009).

The cost of membership is one of the reasons why the DCCI has experienced a decline in membership; this was noted in a study in West Africa. Africa as a continent suffers poverty and when the cost of membership is high, people tend to lose interest. Another contributing factor that was popular is the benefit and incentives of being a member compared to the cost (Khomu, 2009; Wealkens, 2003). Organisations have opted to give personalised services in order to satisfy the demands of members and be able to beat competition and that is one form of retention.

#### **6.4 DCCI Membership Retention**

Retention is cheaper than acquisition; this has been expressed by many organisations in studies conducted on retention (Stone, 2006; Unnikrishnan, 2012). The DCCI seem to have not taken advantage of this dynamic despite their financial struggles. The DCCI has a system of CRM in place, however management of that system to ensure retention of the members is lacking and needs to be improved for it to give the good results. There are three retention methods suggested in the study and the first one is the use of membership experience data referred to by Liyanearachchi and Stone (2006). This method can be effective if the members' experience database is updated and managed properly. There has been a problem with the membership database in the DCCI, meaning there is no clear knowledge on who is a member and who has left. The data experience goes beyond who is a member and further to what members interests are and what do they like about the organisation. This method at this point for the DCCI is a challenge unless the database is updated. The out-dated database has negative impact on the DCCI as all the departments do not have clear knowledge of whom they are serving. It is critical for this chamber to have their membership database up to date for the benefit and flow in service provision by the chamber. The second method is customer relations management (CRM) where software is used for both acquisition and retention (Ang, 2006). CRM software, when managed and used effectively, gets to give a return on investment. The DCCI have CRM software that has not been fully utilised by members. The DCCI faces a dilemma whereby they believe their website is presented in a way members can not relate to it. There have been suggestions of launching the website as a

means to introduce and grow the interest of members to using the CRM facility by the DCCI. CRM software works as a platform whereby members and organisations interact as well as member to member (Unnikrishnan, 2012). The question the chamber has to ask regarding the use of technology as a retention method like CRM software is, is it relevant for the chamber and how can the DCCI familiarise their members to use it to their ultimate benefit. The third retention method covered was a retention model, which can assist in dealing with a problem of unrealistic expectations by members. Hayes and Slater (2001) unfold the retention model and illustrated that individuals sign psychological contracts when they join any membership organisation. The signing of psychological contract as indicated by Hayes and Slater (2001) is done within an individual. The DCCI should take notice of this and have an interest in what new members' psychological contracts are. In addressing expectations from the beginning, the chamber will have a chance of clarifying to members whether or not their needs can be met. With the DCCI addressing the personally signed contracts they will be doing away with complaints that may come later as that was among the reasons for the decline in membership identified. The study found numerous ways in which the DCCI can improve their services that will result in retention of members.

#### **6.4.1 Dealing with Retention Challenges**

There were several suggestions towards improvement of the DCCI's services and growth of its membership. DCCI service improvement possibilities covered that members required networking sessions that were sector specific; this also applied to event seating arrangements which should be within a sector of interest. This has been endorsed by studies on retention that focus on making services personal so the organisation ensures loyalty of its members (Kabiraj, 2009). By studying members and their company's needs, the DCCI can be able to make suggestions on other services they can provide. The study also showed members that have needs satisfied are likely to renew membership. The DCCI study also showed members who utilise services get their money's worth and renew their membership. The level of commitment of a member whose needs are met gets to improve as identified by Clark and Gallagher (2001). Members who gained benefit from the chamber are those who do not give up and members cannot blame the DCCI entirely on their lack of benefits, since there are other members who are satisfied. Theme five mentions characteristics essential for a successful member within the DCCI.

Developing SMME packages; having sector specific events and hosting networking sessions is in line with what the Grand Rapids Chamber and other retention sensitive organisations advocate to make services meet the needs of members. Grand Rapids Chamber focus on protecting and satisfying the needs of members as that is more profitable for the organisation (Gryczan, 2011; Bennet, 1997). The Jefferson Chamber members bring their products to luncheon and by introducing such practical features to SMME services can add a new element in advertising (Lacho, 2011). Ensuring member's satisfaction is at a par with retention, Hamid and Kassim (2004) recommends customer satisfaction as it assists in marketing the organisation by referrals. Research is needed within the organisation in order to find out what member's needs are and if services of the DCCI are still relevant. The Cape Chamber of Commerce and Industry ensures the relevance of their services by constantly reviewing their services and conducting studies on their membership (Richards, 2014).

African organisations have smaller memberships comparatively, and have financial constraints and there is a tendency of failure to adapt to the changes taking place in the environment (Khomu, 2009). These are the LIASA problems that are similar to the DCCI's reasons for the decline. Failure to adapt to changes when the new government came in to power is still visible to this day in the DCCI. One aspect of change that often happens is that of a new CEO being appointed to the DCCI. This has happened several times; however the impact it has on staff members and the entire organisation has not been taken into consideration. A recent change has been the change of premises that had both negative and positive impacts on members and staff, but these changes are not necessarily addressed in line with the impact they have. Any change when has a certain impact on people and it's in open communication that all parties can accept or reject the changes (Carter, 2008). Failure to adapt to changes and align with the environment causes a lot of failure in the organisation. The Mutual Health Organisation failed because management would not include members in their decision making and were stuck with a traditional top-down management and the NGO failed (Wealkens, 2003).

After the greatest decline in membership has occurred in 2011, a new CEO came into action to rescue the DCCI. He began dealing with and addressing public perceptions to try and reinstate the DCCI brand to where it had been. Internal matters were also in jeopardy due to a long term lack of leadership amongst other reasons and the functional part of the chamber was as bad as the results in the decline. There is still an identifiable gap within the DCCI and

communication is recommended to mend the situation. Internal communication is an essential for any organisation and lack thereof has impacted the DCCI negatively. The DCCI's lack of open communication came to be the reason for such a lack of flow of events among other reasons. Internal communication has not been good in the DCCI and many issues were left unattended due to the problem. When there is open communication in place, the system gets to function better and there is flow and alignment (Ng, 2004). The new communications manager function is supposedly to implement such communication.

MBOs unite as a common voice as government listens when there is oneness in the voice. The costs get less when the organisations are working together; however, the challenge these united bodies have is the changes that have recently taken place; economic changes that caused recession; technology that supplies information that is used for MBO services (Khomu, 2009).

Retention of membership is a question of how good the operations staff is in providing services to members (Wealkens, 2003). DCCI staff members realised they do not have the capacity to meet the needs of members. The chamber is not moving forward due to a lack of ability to retain members; lack of skills within staff members; lack of cohesiveness and lack of honest communication. Particularly in the membership staff who are supposed to manage members but had a lack of skill in that regard. Roberts (1999) mentioned that lack of energy by operations staff; changes in technology that requires skill development have also been causing challenges to the organisation. The DCCI staff members demanded training from management and packages that can assist them in recruiting new members and also with retention. A lack of knowledge, lack of capacity due to staff members not being replaced has resulted in low motivation by the DCCI staff. When members don't get good service they leave to get better service somewhere else. Lack of clear demonstration of the benefits of being a member causes a decline in membership (Wealkens, 2003; Khomu, 2009). Members can gain greater benefit from a cohesive, united DCCI.

Financial sustainability is a great challenge for MBOs; it threatens their sustainability which was explored in this study. The management became the great part of the financial sustainability as the finances of the organisation highly depends on how they are handled particularly by the management (Abraham, 2006). NGOs are advised to run their organisations as if they are businesses, and have systems in place that can assist in managing

their finances effectively (Conradie, 1999). Chambers have realised giving services for free is a threat to their sustainability and they have adapted to giving services for a fee; for instance networking sessions have a cover charge; hiring of chamber facilities also has a charge for the events and the products offered within the chamber and this included the DCCI (Gryczan, 2011 ; Lacho, 2011). There is a concern that the cost of membership within the DCCI is high and many business owners, especially SMMEs, cannot afford it. As a means by the DCCI of managing their finances, there is a realisation that information is saleable and the DCCI desires to sell information. This can be done without making members feel deprived as there will be general information given for free and if more information is needed it can be given for a price. MBOs can be as successful as the support they gain from their members and donations and sponsors; events in the Jefferson Chamber are a clear example of how members can sustain an organisation(Lacho, 2011). That is not the only responsibility members have for the sustainability of the organisation, they also have to learn what the functions of the organisation are and how to best utilise them (Wadsworth, 2014). Members cannot always blame their dissatisfaction on the chamber as they have a responsibility to engage and research what else the chamber can do for them and which services are beneficial for their organisations. Such are the characteristics that make a successful entrepreneur and a member that gains benefit within the DCCI as indicated in the findings.

The concern that most MBOs go through is that when they grow they also experience changes and such changes causes problems like lack of trust and power battles (Huxham, 2000). Although the DCCI cannot be considered as a growing organisation, it is a fairly large organisation and faces similar challenges. There are incidents of power struggles by large companies showing power over the SMME and not associating with them as members together in the same chamber. These are some of the complexities of having large and small organisations within the same organisation. Traxler (2010) identifies power struggles as political entrepreneurship whereby large firms are more interested in collective action, lobbying and advocacy because they benefit the most; while smaller organisations benefit in associating with large bodies. This also has challenges where SMMEs have not been treated fairly whereby their prices are marked down by large companies. Power the large companies have from possessing large resources, and being able to payhigh fees gets to be a problem. The sense of exploitation becomes an issue for smaller companies (Traxler, 2010).

The theory of collective action demonstrates that exclusive incentives work as motivation for members to be part of the collective action (Traxler, 2010). The eThekweni municipality as one of the stakeholders together with large companies and other organisations has been playing a major role in partnerships with the DCCI. The project by the municipality of having 20 black entrepreneurs is seen as an incentive, but has reversed impacts to membership growth. An incentive such as free training, mentorship or annual membership cost being paid is incredible; but has created dissatisfaction by members because of benefits to those who are non-members. This project could have assisted the start-ups within the DCCI membership as a way to motivate them and for retention of members' purposes. Benefits in this case have been given to non-members, which motivates non-membership. This reverse selective incentive could have been beneficial to membership if it was given to members who are loyal and it could have been a motivation to the benefit of the DCCI's membership growth. The purpose of the project was different, but it's an example of how government can assist the DCCI in providing incentives and motivating membership growth for the DCCI. Most participants do not think that the 20 mentees will renew their membership.

The role the stakeholders have is significant for the DCCI as it assists them with the problem of centralised services. One of the complexities of membership is the challenge of location. Huxman and Vangan (2000) indicate that the proximity in which the organisation operates adds further to the challenges of membership. The DCCI and SEDA relations have allowed for a new DCCI office in Mbumbulu and that assists the DCCI in reaching out further to members outside the Durban area.

There was no significant indication of any economic impacts causing any change within the DCCI. There internationalisation impact did not come as a negative impact at all in the case of the DCCI as trade is a major part of this chamber. The DCCI as a host of exporter awards is a clear indication of the commitment the DCCI has to trade. Chambers like Cape Chamber of Commerce and Industry aligns with the ICC rules and regulations as it assist with being able to reach the world standard (Richards, 2014).

The challenge of chambers in South Africa is they are not compulsory, but voluntary. There is a suggestion to make membership of the chamber compulsory; however if the DCCI is compulsory all the chambers will have to also be compulsory. The impact of policies in South Africa, like the implementation of BEE, has made the dream of making chambers

compulsory a longer term plan as redress processes are still carrying on. The absence of black members also places this idea as a premature concept when looking at the current situation. Through strong partnerships and mergers the chamber and organisations like SEDA, as suggested by Roberts(1999), can make a stronger alliance and accommodate the greater population. Another role BEE law played was to ‘force’ organisations to place black people in leadership without addressing issues of learning and development for those positions. Decisions of opening membership without dealing with other aspects like attitudes and misconceptions have made LIASA experience little or no growth in its membership. Although the intention was good to mix library workers and professional librarians, Khomo and Raju (2009) highlights that professionals felt the organisation was not professional enough.

All the different sectors involved in the DCCI need to form one functional organisation that is interconnected. For staff members to give service that is relevant and value for money there has to be a clear understanding on both sides; what chamber does and why a member desires to subscribe. Without this clarification it is complex for both members and staff to work together with a clear understanding on what is expected. This challenge may be caused by unclear communication and expectations between the two bodies. If all the bodies involved in fulfilling the mandate of the DCCI which is serving its members are in concert then a flow of connectivity will assist in growing the membership. This calls for the board, the council, CEO and staff managers and members, to have one mission, one strategy, one dream and one culture for the DCCI’s success. Leadership of the DCCI will have to work in unison for the growth of the chamber that will be seen in a growth in numbers of members.

The issue of free riders is impacting on the DCCI indirectly, the database that has been out-dated for a long period of time have allowed for other members to still enjoy the benefits, yet without payment for their membership. The out-dated database also causes a lack of efficiency; waste of organisational income and a ‘blind folded’ organisation. The chamber has no clear number of people they serve and hence cannot fulfil and quantify progress. This is not good for the DCCI in terms of its sustainability or retaining its current membership. The problem of the out-dated database is not addressed properly as there is a lot of blame shifting taking place between management and membership staff. That shows again lack of



cohesiveness and failure to have a team spirit by the DCCI. Lack of staff energy and failure to meet the needs of the members is due to the out dated database.

The chamber's website is an information tool for everyone who visits it. It is not strategically working as a tool to attract non-members to join the chamber, and that can be mended. It is one source that can be used as a tool to attract non-members however it has been open to giving free services. The DCCI should close the information for members only like the Cape Chamber of Commerce and Industry website has limits on important articles and comments to members only and this gives non-members an urge to desire to be part of the people on the other side, the members. Systems thinking assisted the study highly and the objectives of the study were met because of the holistic view systems thinking added to the study.

Systems thinking emphasises sustainability by observing the nature of when and where actions and changes within the structure can manage to evoke lasting improvements. A system is made up of elements that work together to give what is known in a system management model as output (Skarzauskiene, 2009). It's from output a manager of an organisation identifies if the system is working successfully or not and this is recognised on the feedback loop. There have been several feedback loops that are identifiable throughout the study and the result thereof has been no growth and failure to retain members. Feedback loops makes systems thinking different from other methods. The systems approach places emphasis on feedback as it's a systems thinking means of showing any mutual exchange of influence. Feedback allows the organisation to adjust to environmental demands (Montuori, 2002). This is one example where management can use applied systems thinking in order to manage the chamber for progress and sustainability.

Systems thinking is a way in which organisational leaders can better understand the 'why' part instead of concentrating on the 'what' part of the organisation (Stroh, 1998). Most managers fail to see the interconnectedness in many situations that occurs within the organisations. This creates confusion, diminishes required coordination and slows down implementation. The why question that systems thinking explains, is mainly a set of non-obvious interdependencies between different factors. By using casual loops diagrams, Stroh (1998) believes the organisations can identify the complex non obvious relationships for managers to deal with. The argument many scholars have is that systems thinking is not measurable, particularly when dealing with human complexities, but is still a way of looking

at different concepts and making sense of them (Skarzauskiene, 2009). The reality is in circles, unlike the traditional way of looking at it, in a linear form. There are major limitations in looking at systems in a linear form, seeing and understanding the system involves a change of mind and thinking systemically order to take correct decisions relating to the system at hand (Skarzauskiene, 2008). The research questions were answered by the findings of this study.

Research questions were all answered by the nine themes which brought to light individual feelings on the changes within the membership of the DCCI. Theme one clearly indicates that there was a decline in membership over the years. The numbers changed as well as the patterns as many large companies left and currently the dominating numbers are made up of small companies (SMMEs).

The dynamics that caused changes within the DCCI have touched many parts that have led directly and indirectly to the decline of the membership of the DCCI. The delayed decision making and power differences by the leadership, the top down decision making have been costing the chamber.

The minority possessing all the financial power maintaining the state of the untransformed chamber say lack transformation in the chamber is slow, while the majority which are SMMEs have no sufficient benefits and keep losing the little money they have when paying for their membership; this is one dynamic that was clear throughout the study.

There are several consequences, but the biggest consequence of the change in membership is the current financial struggle in the running of the DCCI operations. Staff members leave due to short contracts to look for more permanent positions in other companies leaving the DCCI under- staffed and lacking capacity for service delivery to members.

The ex-members who were interviewed showed a concern for the image of the DCCI, as they see the chamber as a great brand that might be spoiled if it continues to fail to deliver on its promises to its members. The chamber as a brand remains identifiable and well known among business associates; however, this could change, fears the ex-members if the DCCI does not perform and satisfy their members.

Members get frustrated and resign their membership causing a decline in retention of members. The chamber has been able to increase the numbers since 2011; however the growth in membership is not showing due to many problems the chamber is facing.

Sustainability and retention of members would require overlapping methods by the DCCI. There are reasons why members do not renew their membership; the chamber should look into the reasons for the decline in membership and build strategies to overcome the problems in order to move forward. There are many ideas on how the DCCI can extend what they already have into even greater use and relevance and sustainability of the DCCI. This has been practical solutions found in theme six; service improvement possibilities. The chamber has been advised by the participants to begin to find ways in improving the SMME sector, developing the skills of the operations staff by giving relevant training. Attempts by the DCCI to reach as many members as possible who reside outside of Durban is a strategy that could grow the chamber's membership. Recruitments that is focused on a certain sector, tailor made to attract that sector also could assist the chamber in growing their membership base.

Projects such as these the municipality has implemented could be used as an incentive to motivate members and to recruit new members. Mentorship projects managed to give the DCCI 20 members could benefit the chamber. Members desire to have networking sessions that are relevant to them. The chamber costs are high for SMMEs therefore members requested the DCCI to allow free sessions provided by members. These voluntary sessions will add value to the presenter as well as members who will thus get a free service from the chamber. Visitation of members by DCCI staff became a strategy to retain both large and small companies, but also to build relationships that could prevent resignation. CRM by the chamber is a great tool however skills to use it by members remained a problem; hence a suggestion to teach members on how to use the chambers' website. Services like tender procurement were suggested to meet the needs of SMMEs.

The question of how to motivate new members; the chamber seemed to have not suffered from lack of motivation by new members joining the chamber; the DCCI is expressed to have certain attractive abilities but have a problem with retaining those members. In dealing with increased numbers there were opportunities identified on theme seven. The chamber should expand their marketing and reach as many members as possible, the DCCI should be in a constant search and analyses on what the current needs of the current membership are in

order to meet them. This is because word of mouth has been identified as the chambers way of attracting new members. Members serving large and small companies were identified as a way to motivate for new faces within the DCCI.

## **6.5 Concluding remarks**

The themes managed to cover the entire study objective; the literature on several MBOs showed the DCCI is facing a common threat of declining membership. There were many supporting subthemes that looked into reasons for the decline in membership and the themes that had suggestions on how to improve the DCCI services that answered the research questions.

Systems' thinking as a theoretical framework has assisted this study to have a holistic perspective in dealing with many aspects the DCCI is involved in, and assist in looking at many aspects within the DCCI as an organisation.

Discussions reveal MBOs face common problems and they can learn from one another and adapt to the changes.

The concluding chapter covered many parts of the research conclusions and made recommendations for further research studies on the DCCI.

# Chapter 7 Conclusions

---

## 7.1 Introduction

This chapter covers the conclusions and recommendations of the study on changes in the membership of the Durban Chamber of Commerce and Industry. As a qualitative study, this research managed to make descriptive findings on the feelings of participants about the changes within the DCCI. Membership is a crucial part of any chamber, however there not many studies have been done on this topic. The chapter further discusses crucial elements of this study, its relevance for MBOs and particularly the DCCI.

## 7.2 Conclusion

The DCCI membership has been declining continuously because of changes taking place within operations staff and management, as well as members' attitudes and expectations. The reasons the membership declined within the DCCI were found to be aligned to general declining interest in club membership around the world; South African history; The National Medical Plan when closed caused a loss of incentive in joining chamber membership. There is resistance to transform particularly by large companies, wanting to maintain the status quo, and leaving their membership when it doesn't happen. Lacks of suitability of SMMEs, the benefits are limited and this shows the chamber has not tried accommodating the SMMEs at a level similar to larger companies.

Poor membership benefits and insufficient support staff are just the results of SMMEs not being served and staff members working in the environment that lacks stimulation causing them to have low motivation. Empty promises given to members by the DCCI; the cost of membership that is high; the opportunity cost that becomes a problem because of insufficient services which could be overcome with benefits from the chamber. Increasing competition; lack of equipment for staff; bureaucracy by leadership and favouritism reflected negatively on the chamber. Lack of common vision and cohesion; intimidation tactics by the operations staff also became a reason why there is a lack of growth in the DCCI membership. Members seem to have unrealistic expectations mainly caused of misinformation; the out-dated membership database and lack of internal communication have been the major issues in the DCCI. These reasons showed it was crucial to have used systems' thinking in looking at the

DCCI as this chamber has differing sectors that interacts and impacts on one another causing a lack of growth in membership.

The literature has also showed that MBOs are needed as they are essential as the voice of their constituencies against government policies that impact them negatively (Robert, 2010). The DCCI membership study will assist this organisation in moving forward, on its membership side.

The retention of existing members should be a priority for the DCCI, and a higher than acquisition of new members.

The findings showed that members who gain benefits are the advertisers of the chamber as they recommend other people to join (Unnikrishnan, 2012). Referrals are recommended as the best way in which the MBO can grow its membership.

The DCCI is made up of large and small companies; stakeholders; leadership and professional staff working together; allowing flow in communication; building professional relationships for the benefit of the DCCI.

The DCCI have to work on their services and make them more effective in meeting the needs of members. It is clear there is more effort needed from professional staff in how they give the services to members.

The DCCI should be registered as an NGO and function under company law with the council being the board of directors and dealing mainly with advocacy for members benefit.

The DCCI can grow its retention system that can assist in meeting the needs of the DCCI members, whether by managing CRM better or introducing members to sign a psychological contract so the DCCI knows what expectations they have and addresses them pre-emptively or updates the database and knows members demands or just payvisits to members at their businesses.

Chambers have to take action on this study and other studies in accordance with suggestions of the members. The DCCI should ensure relationships are maintained and members know the chamber is on their side, ensuring their success in business, and this has to be done for members to see.

The DCCI can take advantage of relationships they have with SEDA and other stakeholders and decentralise their services further to build even stronger relations with its members in the outskirts of Durban.

Incentives like the municipality mentorship programme as an example, should be given to members, not non-members as they discourage growth of membership.

Although other means of marketing expose the chamber, most services the chamber offers are not known to members. This calls for the chamber to advertise their services more for members.

Among training for DCCI, staff members should be prepared for the opening of an enquiry office. The office should be proactive and creative in giving answers to chamber members and this will be of great assistance to both staff and members. Staff members that work in it should have all the information and skills needed to be able to assist members.

There is a struggle taking place, whereby the chamber is caught between large companies leaving their membership while SMMEs are keen to experiencing chamber membership. Complaints from SMMEs are not taken seriously; while their subscription fees are taken from them. The DCCI has to make plans to deal with SMMEs while retaining 20% of large companies. More benefits for large companies belonging with small companies as stated by Traxler (2010) should be considered highly.

Interventions have to be done when recruiting members, SMMEs should not be told they will share a table with stakeholders and yet there are no such initiatives prepared by the DCCI.

The top-down approach in leadership should be reviewed within the chamber; if it doesn't bear fruits it should be given up for other leadership styles.

The focus should be on loyal customers as they are members that have the ability to ensure the growth of the chamber if they are retained and can recommend new members.

There is a need for the chamber to find other means of communication with members. The website is still being used by a few members to share information rather than interacting.

The marketing manager, when employed, could enforce some measures towards mass advertising in the form of phone calls or emails; the same way major companies do to get more members.

Differentiate start-ups from other businesses as their needs are different. Bearing in mind the time they have been in business when organising chamber training and seminars is crucial as it will determine who will attend.

The database update is crucial for the chamber and should be a project the DCCI commits to see happen; it can help with retention and building cohesion within the DCCI. The DCCI vision is about building the chamber into a world class organisation. If the entire chamber comes together to come up with a database that has details of members and suits the needs of all the departments within the DCCI, the chamber will have a better chance against its competitors. Chamber leadership should identify the period it's not busy and dedicate a week to the database update project. The whole chamber should come together as it means each department can sacrifice a staff member. The categories have be identified within the business community. This will assist with a few things: the networking sessions that are sector specific and information sales.

When the chamber sees the benefits of an accurate database update they will begin to realise the benefits in their own jobs. The finance officer instead of making calls for subscription payments and finding out that actually business no longer belong to the chamber which happen often, the database would have identified that. The cost of long telephone calls will be managed and the finance staff will be efficient. The membership department will be able to know exactly who members are and how many small, medium and large organisations there are in the chamber. This knowledge can assist the events department when organising networking sessions and creating events. They will not just have networking sessions they, will have sector specific sessions that might bring more motivation towards attending.

To have a membership department may be a good idea for the DCCI; however its functionality is not strategic. To have membership staff in an organisation where everyone is serving members leaves individuals with an overwhelming feeling of responsibility. The sales or recruiting staff would be more functional as a recommendation.



DCCI should request the French government to assist them to unite with chambers from France. The African chambers should share what can work and what is not working and recommend to each other services that can grow African business in the 21<sup>st</sup> century.

There are many divisions in the DCCI; it needs to blend the smaller ones to make them a unit. Unity is power in representation and this is already what DCCI is about. DCCI should be a greater voice for all affiliated members and subscribing members. KZN women in Business should feel forced to affiliate with DCCI women in Business in order to succeed.

### **7.3 Recommendations for Further Research**

Further research on the DCCI could cover the implementation of working as a system and how to use the tools within the applied systems thinking to assist the chamber on some of the challenges particularly with the flow of events.

DCCI needs to study other colonial chambers in Africa, how successful or they have become, or how they have failed.

A study on the services and needs analysis of the members of the DCCI.

The study should investigate relevance of chambers of commerce and industry in South Africa in the 21<sup>st</sup> Century.

Study how the DCCI can use models of retention to grow its membership.

One possible area of research is to study what other chambers do in the way of activities to help members promote their businesses. How effective are these activities? How do activities vary by chamber according to size, the external environment such as urban versus rural, local economic conditions, geographic location, socio-cultural factors, such as ethnic group (Black, Asian etc.), and the dominant nature of the local economy.

The opportunity cost of attending chamber events and taking part in activities should be studied. What factors influence attending or not attending a particular event or activity? How does one measure the benefit/cost of attending or not attending an event? What is the extent of non-member attendance at chamber events? Why do they come? Do they become members?

What is the extent and future of the use of the Internet in chamber operations? How is the Internet used? What is the future of social networks in chamber promotion? How can it be used to promote members to the chamber?

Research has to be done on staff and staff satisfaction in the DCCI. This research needs to investigate staff energy too as these impacts on service and service relevance of the chamber. Staff satisfaction in the DCCI forms a crucial part of the system as staff members perform the services. Without a satisfied and energetic staff in the DCCI, services rendered will be poor, therefore staff performance is crucial for the execution of the services and there is a need for such study within the DCCI.

The chamber is a membership based organisation; it is funded through subscriptions of members. The chamber has to have a detailed research with a title: What is it that our members need from the DCCI?

#### **7.4 Concluding Remarks**

The chapter covered the conclusions of the study and the recommendations for the DCCI; contributions of the study for chambers and the other MBOs. There were suggestions on the further research studies.

## References

- ABRAHAM, A. 2006. Financial Management in Nonprofit Sector: A Mission- Based Approach to Ratio Analysis in Membership Organisation. *The Journal of American Academy of Business*, 9, 212-217.
- AI-YATEEM, N. 2012. The Effect of Interview Recording on Quality of Data Obtained: a Methodological Reflection. *Nurse Researcher*, 19, 31-35.
- ANG, L. B., F. 2006. CRM Software Applications and Business Performance. *Database Marketing and Customer Strategy Management*, 14, 4-16.
- BANSAL, P., & CORLEY, K. 2012. Publishing in AMJ- Part 7: What's Different About Qualitative Research? . *Academy of Management Journal*, 55, 509-513.
- BENNET, R. J. 1997. Explaining the Membership of Voluntary Local Business Association: The Example of British Chamber of Commerce. *Regional Studies*, 32, 503-514.
- BOWEN, G. A. 2005. Preparing a Qualitative Research-Based Dissertation: Lessons Learned. *The Qualitative Report*, 10, 208-222.
- BUN, M. J. G., VAN TRIEST, S., VERNOOIJ, M. A. J. & VAN RAAIJ, E.M. 2009. The Impact of Customer-Specific Marketing Expenses on Customer Retention and Customer Profitability. *Marketing Letter*, 20, 126-138.
- CAO, G., CLARKE, S. , & LEHANEY, B. 2003. Diversity Management in Organizational Change: Towards a Systemic Framework. *Systems Research & Behavioral Science*, 20, 231-242.
- CARRIER, J. G. 2014. International Chamber of Commerce (ICC): The World Business Organisation in 2014. *2014 Programme of Action* [Online]. [Accessed 13/10].
- CARTER, E. 2008. Successful Change Requires More than Change Management. *The Journal For Quality and Participation*, 1, 20-23.
- CELL, P. C. 2001. Selective Incentive versus Ideological Commitment: The Motivation for Membership in Wisconsin Farm Organisations. *American Agricultural Economics Associations*, 62, 517-524.
- CHEN, M., JHABVALA, R., KANBUR, R. & RICHARDS, C. 2006. Membership Based Organisation of the Poor: Concepts, Experience and Policy. 4.
- CHILOANE-TSOKA, E. G. 2012. Cultural Observations facing Women Managers: A South African Perspective. *Gender and Behaviour*, 10, 4949-4972.
- CLARK, P. F. A. G., D.G. 1989. Research of Union Commitment: Implications for Labor. *Research on Union Commitment*, 51, 52-72.
- CLASEN, J., & VIEBROCK, E. 2012. Voluntary Unemployment Insurance and Trade Union Membership: Investigating the Connection in Denmark and Sweden. *Cambridge Journals*, 37, 433-451.
- CONRADIE, H. F. 1999. Non- Governmental Organisation and Financial Sustainability. *Development Southern African*, 16, 1-8.
- COUCH, R. L. 1991. Doing Business Abroad Over Coffee and Muffin. *Business Talk* [Online].
- CRESWELL, W. J. 2009. *Researcher Design: Qualitative, Quantitative and Mixed Methods Approaches*, London, SAGE Publications limited.
- DOODY, O. 2013. Preparing and Conducting Interviews to Collect Data. *Nurse Researcher*, 20, 28 - 32.
- ENGELN, J. V., JORNA, R. AND FABER, N. 2005. The Sustainability of 'Sustainability'- A study into Conceptual Foundation of the Notion of 'Sustainability. *Journal of Environmental Assessment Policy and Management*, 7, 1-33.
- GERHLERT, K. M., RESSLER, T. & BAYLON, D. 2013. Global Challenges Demands Global Education of Systems Thinking. *Human Systems Management*, 32, 79-94.
- GERWEL, C. 2009. *Exploring The Use of Simulation as a Tool of Change Management*. Master in Commerce, University of KwaZulu-Natal.
- GRAY, D. E. 2004. *Doing Research in the Real World*, London, SAGE Publication.

- GREEN, M., & CAMERON, E. 2012. *Making Sense of Change Management*, London, Koganpage.
- GRYCZAN, M. 2011. Grand Rapids Chamber CEO's focus: Growth, Public Policy. *Crain's Detroit Business*, 27, 13.
- GWALA, C. 2004. Durban Chamber of Commerce and Industry Annual Review 2004. *Annual Review*. Durban Chamber of Commerce and Industry.
- HAMID, A. N. R. A. K., M. 2004. Internet Technology as a Tool in Customer Relations Management. *The Journal of American Academy of Business*, 4, 103-108.
- HAYES, D. A. S., A. 2001. From 'Social Clubs' to 'Integrated Membership Scheme: Developing Membership Scheme Strategies *International Journal of Non Profit and Voluntary Sector Marketing*, 8, 59-75.
- HUXHAM, C., & VANGAN, S. 2000. Ambiguity, Complexity and Dynamics in the Membership of Collaboration. *Human Relations*, 53, 771-806.
- IRIMIEA, M. 2010. Economic Issues in the Congress Debates of the Chambers of Commerce and Industry in the Old Kingdom of Romania (I). *Economic Sciences Series*, 12, 61 - 69.
- IRVINE, H., & MICHAEL, G. M. 2006. Case studies; Accounting; Qualitative research; Ethnography; Accounting theory. *Accounting, Auditing & Accountability Journal*, 19, 115-145.
- JOHANSSON, P. G., R. 2010. Management of Sustainability- Stakeholder Theory. *Total Quality Management*, 21, 737-744.
- KABIRAJ, S. A. S., J. 2009. Indigenous Customer Relationship Management Practices in Indian Automobile Companies: Strategic Implications. *International Journal of Management Perspectives*, 4, 1-26.
- KHOMO, M. R., J. 2009. Membership of the Library and Information Association of South Africa (LIASA) Among Library and Information Science Workers in KwaZulu- Natal. *South African Libraries and Information Science*, 75, 138-147.
- KILBANE, S. C. B., J.H. 1990. Professional Associations and the Free-rider Problems: The Case of Optometry. *Public Choice*, 65, 181-187.
- KUMAR, A. 2012. Using Phenomenological Research Methods *International Journal of Himan Science*, 9, 790-804.
- KYRIACOU, A. P. 2010. Intrinsic Motivation and Logic of Collective Action. *American Journal of Economics and Sociology*, 69, 823-839.
- LACHO, K. J., & BROCKMANN, E. N. 2011. Promoting a Small Business Through the Services of a Chamber of Commerce: One Chamber Story. *Entrepreneurial Executive*, 16, 1-9.
- LASZLO, K. C. 2012. From Systems Thinking to Systems Being: The Embodiment of Evolutionary Leadership. *Journal of Organisational Transformation and Social Change*, 9, 95-108.
- LAYMAN, A. 2014a. *Durban Chamber of Commerce: Lobbying on Behalf of Business* [Online]. Durban. [Accessed 10\08 2014].
- LAYMAN, A. 2014b. *Durban Chamber of Commerce and Industry* [Online]. Durban, South Africa: DCCI. [Accessed 26\08 2014].
- LAYMAN, A. J. 2014c. Carbon Tax Discussion Paper: A Commentry. In: INDUSTRY, D. C. O. C. A. (ed.). Durban
- LAYMAN, A. J. 2014d. *Durban Chamber of Commerce & Industry Membership Directory* [Online]. Durban Chamber of Commerce and Industry. [Accessed 06\04 2014].
- LAYMAN, A. J. 2014e. Immigration Regulation Commentry. In: INDUSTRY, D. C. O. C. A. (ed.). Durban.
- LEVIN, B. B. S., L. 2013. Using Systems Thinking to Leverage Technology for School Improvement: Lessons Learned from Award-Winning Secondary School /District. *Journal of Research Technology in Education*, 46, 29-51.
- LEWIN, R. R., B. 2000. Leading at the Edge: How leaders Influence Complex Systems. *Emergence*, 2, 5-23.
- MANCI, C. 2009. Durban Chamber of Commerce and Industry Annual review 2009. *Annual review*.

- MARSHALL, B., CARDON, P. , PODDAR, A., & FONTNOT, R. 2013. Does Sample Matter in Qualitative Research? : A Review of Qualitative Interview in IS Research. *Journal of Computer Information Systems*, 1, 11 -22.
- MASEKO, B. M. 2011. *Leadership Styles Deployed by Women Project Managers at ESKOM Enterprise Divison*. Master of Commerce Project Leadership and Management, University of KwaZulu Natal.
- MONTUORI, L. A. 2002. Organisational Longevity: Integrating Systems Thinking , Learning and Conceptual Complexity. *Journal of Organisational Change*, 13, 61-73.
- NG, T. P. 2004. The Learning Organisations and the Innovation Organisation. *Human Systems Management*, 23, 93-100.
- NGCOBO, T. 2007. Durban Chamber of Commerce and Industry Annual Review 2007. *Annual Review*. KwaZulu-Natal: Durban Chamber of Commerce and Industry.
- NITZAN, I. A. L., B. 2011. Social Effects on Customer Retention. *Journal of Marketing*, 75, 24-38.
- PHONG-NGWONG, R. U., P. 2012. Dynamic Marketing Strategy, Marketing Competitiveness, Marketing Success and Marketing Performance: Evidence from Home Decoration Exporting Business in Thailand. *International Journal of Business Strategy*, 12, 83-108.
- PILLAY, A. 2013. *Women in Business* [Online]. KwaZulu-Natal. [Accessed 01/04 2014].
- POGUNTKE, T., MAIR, P. & VAN BIEZEN, I. 2012. Going, Going....Gone? The Decline of Party Membership in Contemporary Europe. *European Journal of Political Research*, 51, 24-56.
- QHENA, M. G. 2014. *Industrial Development Corporation* [Online]. Johannesburg: IDC. [Accessed 24/06 2014].
- RADCLIFFE, N. J. S., R. 2007. Identifying Who Can be Saved and Who Can be Driven Away by Retention Activity. *Journal of Telecommunication Management* 1, 165-176.
- RAMBO, C. M. O., O.C. 2013. Effects of Access to Microcredit on the Growth of Women-Owned Small and Medium Enterprises in the Central Business District of Kisumu: The Case of Kenya Women Finance Trust. *Global Conference on Business and Finance Proceedings*, 8, 1-7.
- RANGASAMY, L., & SWANEPOEL, J.A. 2011. China's Impact on South African Trade and Inflation. *Development Southern Africa*, 28, 141- 156.
- RICHARDS, R. 2014. *Cape Chamber of Commerce and Industry* [Online]. Cape Town. [Accessed 24\08 2014].
- ROBERTS, M. 1999. Future of Labour Unions. *Monthly Labour Review* 10, 30-39.
- SAKCHUTCHAWAN, S. 2009. An Inquiry into the Strict Compliance of the International Chamber of Commerce Trade Rules in Financing Process. *North American Journal of Finance and Banking Research*, 3, 17-32.
- SALEHI, S., KANANI, T. & ABEDI, H. 2013. Iranian Nurses Experiences of Brain Dead Donors Care in Intensive Care Unit: A Phenomenological Study. *Iranian Journal of Nursing and Midwifery Research*, 18, 475-482.
- SENGE, P. M. 1990. *The Firth Discipline: The Art & Practice of The Learning Organisation*, London, Currency Doubleday.
- SINGH, A. 2014. Durban Chamber of Commerce and Industry Annual report 2013/14. KwaZulu-Natal: Durban Chamber of Commerce and Industry.
- SKARZAUSKIENE, A. 2008. Theoretical Insight to Leadership based on Systems Thinking Principles. *Management of Organizations: Systematic Research* 48, 106-120.
- SKARZAUSKIENE, A. 2009. Systems Thinking as a Competence in the Leadership Paradigm. *Management Theory and Studies for Rural Business and Infrastructure Development*, 16, 97-107.
- STAREN, E. D., & ECKES, C.A. 2013. Optimizing Organisational Change. *Change Management*, 10, 58-63.
- STONE, M. L., D. 2006. Managing Retention :Who Does it Well. *Database Marketing and Customer Strategy Management*, 14, 90-103.

- STROH, P. D. 1998. Leveraging Change: The Power of System Thinking in Action. *Organisational Learning for All Seasons*, 13, 1 -13.
- SYMON, G., & CASSELL, C. 2006. Taking Qualitative Methods in Organisation and Management Research Seriously. *Qualitative Research in Organisations and Management: An International Journal*, 1, 4-12.
- TEMBE, M. 2008. Durban Chamber of Commerce and Industry Annual Review 2008. *Annual Review*. KwaZulu-Natal: Durban Chamber of Commerce and Industry.
- TRAXLER, F. 2010. The Long-term Development of Organised Business and its Implications for Corporatism: A Cross-National Comparison of Membership, Activities and Governing Capacities of Business Interest Associations, 1980-2003. *European Journal of Political Research*, 49, 151-173.
- TSAUTSE, T. 2012. Durban Chamber of Commerce and Industry Membership Directory 2012. KwaZulu-Natal: Durban Chamber of Commerce and Industry.
- UNNIKRISHNAN, A. J., B. 2012. Customer Retention Strategies: The Key to Success and Growth of Bharat Sanchar Nigam Ltd. *The Journal of Institution of Public Enterprise*, 35, 33-44.
- URBAN, B., & SHREE, S. 2012. Internationalisation Processes and Links with Capital Factors: The Case of South Africa. *Verslas: Teorija Ir praktika*, 13, 292-303.
- VALSAMAKIS, A. 2012. *The Role of South African Business in South Africa's Post Apartheid Economic Diplomacy*. Doctor of Philosophy, University of Birmingham.
- WADSWORTH, J. 2014. A Two-Way Street: Members Must Fulfill Responsibility to their Co-Op. *Rural Cooperative*, 1, 1-7.
- WARING, A. 1996. *Practical Systems Thinking*, Oxford, Thomson Business Press.
- WARNICH, S., & GROBLER, P.A. 2005. Building Capacity for Their Members: What Employers' organisations in South Africa Need to Know. *South Africa Journal Business Management*, 36, 39-55.
- WEALKENS, M. P. C., C. 2003. Declining Subscriptions to Maliando Mutual Health Organisation in Guinea-Conakry ( West Africa) What is Going Wrong? *Social Science and Medicine*, 57, 1205-1219.
- WERTZ, F. J. 2005. Phenomenological Research Methods for Counseling Psychology. *Journal of Counselling Psychology*, 52, 167-177.
- WHITE, D., & HENZI, C. 2013. Broad Based BEE Verification Services. *BEEREFIN*, 14, 1-4.
- WHITELEY, P. 2009. Where Have All the Members Gone? The Dynamics of Party Membership in Britain. . *Parliamentary Affairs*, 62, 242-257.
- WILSON, J. 1999. Durban Chamber of Commerce and Industry Annual Report 1999. *Annual Review*. KwaZulu-Natal: Durban Chamber of Commerce and Industry.
- ZUCKERMAN, R. A. K., M.A. 2003. Member Acquisition and Retention Model. *NASPA Journal*, 41, 147-164.
- ZULU, S. 2005. Durban Chamber of Commerce and Industry Annual review 2005 *Annual Review*. KwaZulu- Natal: Durban Chamber of Commerce and Industry.

**Appendix 1: Interview Questions**  
**Nthabiseng L. Ramakhetheng: 208520966**  
**Graduate School of Business and Leadership**  
**University of Kwa Zulu Natal**  
**MCOM: Leadership**

**Topic: Exploring Changes in Membership of the Durban Chamber of Commerce and Industry**

The main aim of this research is to explore the changes in the Durban Chamber of Commerce and Industry membership. The opportunities to increase its membership numbers in order to ensure its sustainability shall be investigated.

**Questions for SUBSCRIBING MEMBERS:**

- Why did you choose to become a member Durban Chamber of Commerce and Industry?
- Have you seen any benefits throughout the years of being a member?
- Which networking event have you been part of? How did you experience it?  
How successful were those events it in meeting the intended objective?
- What strategies will assist the Durban Chamber of Commerce and Industry to retain members they currently have large and small companies?
- What can be done to motivate new large and small scale companies to choose the Durban Chamber of Commerce and Industry?
- What is the DCCI currently doing to attract large and small companies to subscribe to become members? Are you aware of any promotions done?
- What's "new" that can be done to give DCCI a greater exposure and encourage businesses to part of the DCCI membership?
- Do you have any suggestion on Marketing or advertising strategies that is not currently done at DCCI that can be of greater benefit?
- What are the possible causes of decline in membership?
- What are the external factors that are causing the decline in numbers of subscribers?
- What are the internal factors causing a decline in number of subscriber?
- Do you find services offered by DCCI relevant to your business?

- How can the services and programmes of the Durban Chamber of Commerce and Industry be adapted to ensure their relevance and sustainability?
- What are the services offered by DCCI benefit you the most? Why?
- Which services you do not benefit from and why?
- What can DCCI do to improve their services?

**Conclusion:** What else would you like to add regarding what we have just had an interview on?



**Appendix 2: Interview Questions**  
**Nthabiseng L. Ramakhetheng: 208520966**  
**Graduate School of Business and Leadership**  
**University of Kwa Zulu Natal**  
**MCOM: Leadership**

**Topic: Exploring changes in Membership of the Durban Chamber of Commerce and Industry.**

The main aim of this research is to explore the changes in the Durban Chamber of Commerce and Industry membership. The opportunities to increase its membership numbers in order to ensure its sustainability shall be investigated.

**Questions for STAFF MEMBERS:**

- For how long have you been an employee of Durban Chamber of Commerce and Industry?
- What is your position at DCCI? What role does your department play in fulfilling DCCI vision?
- When did you enjoy being an employee of DCCI the most? What events were taking place then that made working at DCCI most fulfilling?
- What changed from the time you regarded as the best time of working for DCCI? Please elaborate on the changes.
- How did this changes specifically looking at the decline in a number of subscribing members over the years affect your role as an employee of DCCI? How does that make you feel?
- What is your department doing to increase the number of subscribing members?
- Has the strategies the department use been successful?
- What is your department doing to retain the currently subscribing members in DCCI? Please explain in detail.
- Have you seen positive changes in businesses of subscribing members after what your department has offered? Any success stories you remember subscribing member share?
- What are some of the networking events DCCI organises? Have they been successful towards fulfilling the intended objectives?

- What strategies will assist the Durban Chamber of Commerce and Industry to retain members they currently have large and small companies?
- What can be done to motivate new large and small scale companies to choose the Durban Chamber of Commerce and Industry?
- What is DCCI currently doing to attract large and small companies to subscribe to become members?
- What's "new" that can be done to give DCCI a greater exposure and encourage businesses to become subscribing members?
- Do you have any suggestion on Marketing or advertising strategies that is not currently done at DCCI that can be of greater benefit?
- What are the possible causes of decline in membership?
- What are the external factors that are causing the decline in numbers of subscribers?
- What are the internal factors causing a decline in number of subscriber?
- How can the services and programmes of the Durban Chamber of Commerce and Industry be adapted to ensure their relevance and sustainability?
- What can DCCI do to improve their services?

**Conclusion:** What else would you like to add regarding what we have just had an interview on?

### Appendix 3

<b>Informed Consent Letter</b>
--------------------------------

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

**MCOM Research Project**

**Researcher:** Nthabiseng L. Ramakhetheng (0797370566)

**Supervisor:** Alec Bozas (0823344477)/ Sandra Hildbrand

**Research Office:** Ms P Ximba 031-2603587

I am Nthabiseng **L. Ramakhetheng**, MCOMM student, at Graduate School of Business and Leadership, in the University of Kwa Zulu Natal. You are kindly invited to participate in a research project entitled: *Exploring Changes in the membership of the Durban Chamber of Commerce and Industry*.

The aim of this study is to: Make findings on changes taking place in the membership of Durban Chamber of Commerce and Industry

Through your participation I hope to understand the changes, dynamics at DCCI and how and why it's happening. The results of the interviews are intended to contribute to knowledge in changes that are taking place at DCCI. Make findings on the causes both internal and external and methods to increase and sustain chamber membership in the future.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in this interview you may contact me or my supervisor at the numbers listed above.

The survey should take you about 60 minutes for interviews to complete. I hope you will take the time to complete this interview.

Sincerely

Nthabiseng L. Ramakhetheng

Investigator's signature \_\_\_\_\_ Date \_\_\_\_\_

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MCOM Research Project**

**Researcher:** Nthabiseng L. Ramakhetheng (0797370566)

**Supervisor:** Alec Bozas (0823344477) / Sandra Hilbrand

**Research Office:** Ms P Ximba 031-2603587

**CONSENT**

I..... (Full names of participant)  
hereby confirm that I understand the contents of this document and the nature of the research project,  
and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

.....

## **Appendix 4**

<b>Informed Consent Letter for Interview Recording</b>
--

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

**MCOM Research Project**

**Researcher:** Nthabiseng L. Ramakhetheng (0797370566)

**Supervisor:** Alec Bozas (0823344477)/ Sandra Hildbrand

**Research Office:** Ms P Ximba 031-2603587

I am Nthabiseng **L. Ramakhetheng**, **MCOM** student, at Graduate School of Business and Leadership, in the University of Kwa Zulu Natal. You are kindly invited to participate in a research project entitled: *Exploring Changes in the membership of the Durban Chamber of Commerce and Industry*.

The aim of this study is to: Make findings on changes taking place in the membership of Durban Chamber of Commerce and Industry

**Do you consent or/ do not consent to have this interview recorded?**

Sincerely

Nthabiseng L. Ramakhetheng

Investigator's signature\_\_\_\_\_ Date\_\_\_\_\_

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MCOM Research Project**

**Researcher:** Nthabiseng L. Ramakhetheng (0797370566)

**Supervisor:** Alec Bozas (0823344477) / Sandra Hilbrand

**Research Office:** Ms P Ximba 031-2603587

**CONSENT INTERVIEW RECORDING**

I..... (Full names of participant) I here  
consent or/ do not consent to have this interview being recorded.

SIGNATURE OF PARTICIPANT

DATE

.....

18 June 2014

Ms Nthabiseng Lineo Ramakhetheng (208520966)  
Graduate School of Business & Leadership  
Westville Campus

Protocol reference number: HSS/0615/014M

Project title: Exploring changes in the membership of the Durban Chamber of Commerce and Industry

Dear Ms Ramakhetheng,

**Full Approval – Expedited Application**

In response to your application dated 5 June 2014, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

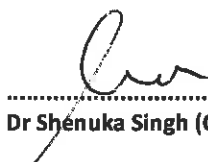
Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

**PLEASE NOTE:** Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



.....  
Dr Shenuka Singh (Chair)  
/ms

Cc Supervisors: Ms Sandra Hildbrand and Mr Alec Bozas  
Cc Academic Leader Research: Dr E Munapo  
Cc School Administrator: Ms Zarina Bullyraj

---

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: [ximbap@ukzn.ac.za](mailto:ximbap@ukzn.ac.za) / [snvmanm@ukzn.ac.za](mailto:snvmanm@ukzn.ac.za) / [mohunp@ukzn.ac.za](mailto:mohunp@ukzn.ac.za)

Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)



1910 - 2010  
100 YEARS OF ACADEMIC EXCELLENCE

Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville